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NEWS SUMMARY

GENERAL

Demand for cash to fight pollution

The south coast of England is "virtually unprotected" from the threat of marine pollution, says an all-party committee of MPs investigating the handling of the Eleni V oil tanker accident off East Anglia in May.

Mr. Arthur Palmer, chairman of the committee, called for resources for fighting pollution to be at least doubled.

The reports says that generally the Department of Trade's organisation was quite good but that during the Eleni V action there was a number of unnecessary delays and poor judgments in the 21 days between the sinking of the tanker and the decision to blow up its remains.

The review of arrangements produced by the Government after the Amoco Cadiz accident was wrong not to conclude that substantially higher spending was justified, the report adds.

In the Irish Sea yesterday, the crew of the British Petroleum tanker British Dragoon continued to pump oil from the stricken Greek tanker Christos Bitas. Page 8

Rhodesian raid on Mozambique

Rhodesia launched a major raid against guerrilla bases inside Mozambique for the second time in a month. Combined Operations Headquarters described it as a "self-defence" raid against terrorists loyal to Mr. Robert Mugabe.

The raid is seen as part of Salisbury's strategy to strengthen its bargaining hand before any talks involving the Patriotic Front. Page 4

Belgium change

King Baudouin has asked Christian Democrat Paul Vanden Boeynants to form a new Belgian Government.

Bound for Rome

Dr. Donald Coggan, the Archbishop of Canterbury, will attend the open-air inauguration of Pope John Paul II in St. Peter's Square, Rome, on Sunday. It will be the first time since the Reformation that an Archbishop of Canterbury has attended a Pope's enthronement.

Korchnoi protest

Anatoly Karpov remains world chess champion, Viktor Korchnoi having conceded defeat when the 32nd game resumed. The challenger alleged Russia put him under severe psychological pressure before the game and refused to attend the prize-winning ceremony in protest. Page 32

Cambodia tension

Tension rose in Indochina after Cambodian forces inflicted "heavy casualties" on Vietnamese troops invading the Eastern province of Svay Rieng. But Western officials doubted Cambodia's claim to have killed 405 Vietnamese.

Namibia hopes

Faint hope for a deal between South Africa and the five Western members of the UN Security Council over Namibia was expressed as talks broke up last night. South Africa's response to a compromise plan is expected today.

Briefly . . .

John Davies, Shadow Foreign Secretary, was said to be making a good recovery after undergoing brain surgery.

An £850,000 appeal has been launched to restore the 77-year-old HMS Discovery and refit it as a museum of exploration.

Save the Children Fund boosted its income last year by 18 per cent to a record £6.4m.

Jean Prouvost, former French industrialist and Press magnate, died aged 93

Russian Foreign Minister Andrei Gromyko will pay an official visit to France from October 25 to 28.

BUSINESS

Gilts firmer; lead falls £21

● **GILTS** responded to lower money market rates and there were gains of ½ in longs and ¼ in shorts. The Government Securities index closed 0.21 up at 69.25.

● **EQUITIES** attracted only moderate interest and the FT ordinary index closed 3.9 down at 494.0.

● **STERLING** closed unchanged at $1.9960 after earlier weakness and its trade-weighted index fell to 62.0 (62.1). The dollar's depreciation remained at 11 per cent.

● **GOLD** rose $1 to $228½ in London.

● **LEAD** prices fell sharply on the LME with cash lead £21

down to £399 a tonne following heavy profit-taking.

● **WALL STREET** was 7.11 down at 859.23 just before the close.

● **U.K. PARTICIPATION** in the European Airbus project seems much closer, following very rapid progress in discussions with France, Mr. James Callaghan told Chancellor Helmut Schmidt in Bonn.

● **PRIME MINISTER** will face hostile opposition at next week's joint meeting of the Cabinet and Labour's National Executive committee to further government negotiations on the proposed European Monetary System. The CBI has come down in favour of the scheme subject to safeguards. Back Page

LABOUR

British Oxygen 'new offer'

● **BRITISH OXYGEN** union negotiators said that the company was prepared to make a final pay offer of at least double the pay guideline to its gases division manual workers, linked to a programme for phased reduction in working hours.

● **CAR UNION** leaders are to set up an international council to monitor the promises made by Peugeot-Citroen about its takeover of Chrysler's European operations, now the UK government has approved the takeover. Page 10

● **SU FUEL SYSTEMS** toolmakers have ignored the advice of their union leaders and have voted to continue their 12-week strike for improved differentials. Back Page

● **BRITAIN'S** 50,000 milk roundsmen must be allowed to breach the Government's 5 per cent pay guideline if serious erosion of doorstep deliveries is to be avoided, the Dairy Trade Federation has warned. Page 10.

COMPANIES

● **BRITISH HOME STORES** pretax profit expanded by 24 per cent from £8.407m to £10.42m in the 24 weeks to September 16, reflecting new marketing. Page 22 and Lex

● **UBM** sales increased from £93.23m to £126.41m in the half-year to August 31, raising pretax profits from £1.59m to £3.38m. Page 23 and Lex

British Shipbuilders nine-month loss likely to be £100m

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

British Shipbuilders is expected to announce next month that it made losses of almost £100m in its first nine months of trading: roughly double the estimated, unofficial figure produced in June.

The 15-month-old corporation is also putting the finishing touches to a corporate plan involving redundancy or early retirement for more than 10,000 of its workforce employed in merchant shipbuilding.

Together, those facts indicate the size of the problem facing the Government in its handling of the shipbuilding industry this winter.

Union reaction to the redundancies remains unpredictable but will emerge shortly when British Shipbuilders opens talks with union leaders on the contents of the plan, as it is obliged to do by statute.

The presentation of the plan will be carefully designed to avoid confrontation. In particular it will avoid talking about closing particular shipyards.

It cannot avoid the issue of redundancies, however, since the industry's merchant ship order book is rapidly shrinking and some yards have no work.

Several possibilities will be presented. All assume that, within the next two years, the merchant shipbuilding workforce of 40,000 will be reduced by about three men in 10.

British Shipbuilders' total workforce is 85,000 but many men are employed in warship building, ship repair and general engineering. Almost 3,000 men have left theindustry since nationalisation.

The financial losses might concern the Government more immediately. They will be disclosed next month, when British Shipbuilders presents its first annual report.

That will argue that inflated losses on unsound contracts taken by yards before nationalisation in July 1977 are the main cause and that contracts since then have been taken on at least a break-even basis, allowing that many of them were won only with the help of subsidies from the Government's Shipbuilding Intervention Fund.

That involved commitments of about £60m last year, although only a portion of the cash has been drawn. A new fund of £85m was sanctioned by the European Commission this summer.

Another factor in the losses has been the confusion in which British Shipbuilders found the books of certain of its members. That has involved a series of independent audits and one company, Sunderland Shipbuilders, was forced to take on a new auditor to work alongside the existing firm.

British Shipbuilders also, clearly, stands to gain from making its inherited difficulties as clear and public as possible in its first set of accounts.

In its current financial year, which ends next April, British Shipbuilders face a formal, Government-imposed target of keeping losses below £45m. The Nationalisation Act says the corporate plan should lead to a financially viable industry.

In spite of the thorough accounting exercise in progress, that target looks increasingly unrealistic. One factor that has aggravated the corporation's financial headaches this year is the £15m cos tof fair wages awards made under schedule 11 of the Employment Protection Act.

The losses will, presumably, be dealt with by loans from the Government, and the burden of the interest payments resulting from that will create future difficulties for the corporation as the shipbuilding recession is expected to get worse in the next three years.

Feature Page 20

Breakthrough in Common Fisheries Policy talks

BY MARGARET VAN HATTEN AND CHRISTOPHER PARKES

A MAJOR breakthrough in progress towards an EEC Common Fisheries Policy appears to have been made in talks berween Mr. John Silkin, Minister of Agriculture and Fisheries, and his German counterpart, Herr Josef Ertl, in Bonn yesterday.

Shortly afterwards, the EEC Commission in Brussels decided to take Britain to the European Court of Justice over the UK's national fishery conservation measures, which, it is alleged, are unnecessary and discriminate against Community fishermen other than Britons.

However, the Commission elected to prosecute its case through a lengthy and cumbersome procedure which should allow enough time for a negotiated compromise to be reached inside the Council or Ministers' chamber.

The British and German ministers, at their Bonn meeting predicted a settlement by the end of next month after three hours of talks.

"It was a very good discussion. I am more optimistic since this afternoon than I have been for a very long time." Herr Ertl said.

"Two cannot settle the problem—that must be done by the Nine — but, we have agreed to try and find a solution by the end of Nevember."

Herr Ertl and Mr. Silkin insisted they had made no concessions and were sticking to their original negotiating positions, and both felt all the outstanding problems to be negotiable.

Terminology

The main difficulties, officials in London claimed, appear to lie in the terminology used in the British demands. The UK's claim to "dominant preference" inside a band between 12 and 50 miles from the coast, for example, will probably be made less aggressive.

It has already been toned down from the demand for "exclusive" rights within the 50-mile zone.

A similar call for "exclusive" rights in an inshore coastal band also have to be watered down.

However, th emain desire of the British delegation to ensure UK fleets gain the lion's hare of the fish in the British 200-mile zone is expected to be met in the quotas and statistical annexes to any Common Fisheries Policy.

Mr. Silkin said the most important sigale factor behind the new understanding was the fact that Britain was not holding a general election this month.

"We understand each other more clearly now. We have isolated the major points of difference," he said.

Neither minister was prepared to say where concessions might be made to bridge the gap between Britain and its eight EEC partners.

Negotiations for a Common Fisheries Policy to take into account the move to 200-mile limits for fishing rights in January last year had been stalled since January this year because of Britain's demands for preferential rights, particularly in its 12 to 50-mile coastal zone.

Though the other eight states have, with some nudging from the EEC Commission, made substantial concessions to Britain in matters of fish quotas and conservation measures, they have consistently refused UK demands for permanent rights equivalent to all the main fish species available within its 200-mile limit, plus most of the increase in stocks resulting from conservation measures.

Since January, the other eight members have been bound by a gentleman's agreement to observe Commission proposals for sharing and managing fish stocks this year while Britain has gone its own way, introducing national measures which several member states felt discriminated blatently, in favour of British fishermen.

Herr Ertl said the outstanding

Continued on Back Page

Unit trust brokers attacked

BY EAMONN FINGLETON

INSURANCE brokers were accused of commission-hunting yesterday after unit trust figures showed that repurchases were running at record levels.

The Unit Trust Association announced that the total of repurchases (units cashed in by investors) rose by £200,000 last month to a record £36.5m. At the same time, sales of new units, at £45.3m, continued the recent buoyant trend. They were £3.3m less than the extremely good August figure but well above the average last year.

The unit trust industry fears that repurchases and sales figures are being inflated by commission-hungry agents urging clients to switch from one trust to another.

Industry observers' suspicions have been aroused because only rarely in the past have sales and repurchases run at high levels simultaneously. The increase in dealing comes soon after the industry raised commissions substantially for most intermediaries.

Mr. Edgar Palamountain, chairman of the Unit Trust Association, admitted yesterday that the trend was causing concern.

He said: "We shall have to watch closely in coming months to see if the pattern continues. Switching has undoubtedly been taking place, but we would like to think that most of it was in the client's interest. There has been a big move from British trusts into Far Eastern and American funds, for instance.

"There must, however, be nagging doubts that it is not coincidental that this pattern has occurred soon after a rise in commission."

Japan doubles trade surplus

BY CHARLES SMITH

TOKYO, Oct. 18.

JAPAN registered a current account surplus of $9.73 bn (£4.9 bn) during the six months from April to September, nearly double its surplus during the same period of 1977, the Finance Ministry announced to-day.

The rise reflects the impact of the yen's revaluation on Japan's dollar-denominated external balance as much as, if not more than, it reflects trends in actual trade.

Exports declined in volume terms by 2.7 per cent during the three months from April to June and by 3.8 per cent during the following three months. Imports showed a modest rise in volume over the same period.

The surplus for the six months to the end of September (which corresponds to the first half of Japan's 1978 fiscal year) appears to confirm the recent U.S. estimate that Japan would be in current account surplus by over $18bn during the fiscal year as a whole.

Japan itself, however, is sticking to a forecast of a $13.5bn surplus. It hopes to achieve this figure with the aid of $4bn-worth of "emergency" imports, mostly from the U.S.

On visible trade alone, Japan was in surplus by $13.85bn during the six months ending in September, an increase of more than $5bn on the same period of 1977.

Concurrently with the half-year figures, the Government has also announced September trade and balance of payments figures which show a current account surplus of $1.9bn (high compared with recent months) and a trade surplus of $2.63bn.

Dollar - denominated exports during the month rose 31 per cent over the level of September 1977 to reach $8.72bn. Imports were up a more modest 21 per cent to $6,090m.

The apparently rapid growth of exports turns ituo a fall when the figures are translated into yen (Y1,658bn, down 7 per cent from the September 1977 level). However, in volume terms, exports were up by a marginal 0.6 per cent registering the first volume increase after five months of consecutive falls.

Finance Ministry officials described the recovery in export volume as a "temporary rebound." It appears to have been due partly to a bunching of ship deliveries during the month and partly to strong overseas demand for Japanese video-tape recorders.

The other components in Japan's September payments balance were a $730m deficit on invisibles and a long-term capital outflow of $1.3bn — both more or less in line with the trend of recent months.

After allowing for a deficit of $150m on short-term capital movements, the overall surplus works out at $450m.

Editorial comment Page 20

Tight limits on public spending stay

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PRESENT tight limits on the growth of public spending ove rthe next few years are to be retained by the Government—though Ministers have not yet completed decisions on the allocation of expenditure for different programmes.

The Cabinet decided this week not to change existing plans for an annual growth rate of about 2 per cent in the volume of spending over the next three years, as specified in last January's Expenditure White Paper.

Consequently, the Treasury call for continued restraint has prevailed and the discussions appear to have been remarkably low-key with no significant attempt to press for a larger spending growth. This is in marked contrast to the heated debate over spending cuts two years ago.

The Cabinet will, however, need a further session before completing decisions on departmental programmes though relatively small sums are now being considered.

In particular, Ministers are now trying to reconcile calls for additional expenditure within the overall limit. The main items are: proposals for a new maintenance grant for those aged 16 to 18 and in full-time education: more money for school building: and a commitment to 3 per cent annual growth in health service spending, compared with the planned rise of less than 2 per cent.

Other proposed extra items are a special benefit for those on short-time working and an expansion of capital investment on environmental programmes.

Some of this additional spending, compared with last January's plans, can be accommodated because of revised estimates on existing programmes.

There may, for example, be some money available because spending on public sector house-building in 1979-80 could be lower than envisaged last January. The extent of the shortfall on current programmes is not yet clear.

Last January's White Paper included a large contingency reserve, within the overall planned growth limits, to allow for any extra items. But decisions in the April budget to increase spending, notably the uprating of child benefits, have already resulted in the commitment of about half the £1.5bn reserve for 1979-80.

Treasury officials are understood to be reluctant to allow a further reduction in the reserve before the start of the financial year because this would reduce the Government's manoeuvrability.

The hope is still apparently that the White Paper will be published at the turn of the year.

Before then, officials will have to make estimates of the relative price effect, which measures the cost of public sector services in comparison with prices in the economy.

This could be unfavourable next year because the Government has made a number of forward commitments on public sector pay covering the police, firemen and the forces.

These may mean that the cost of public spending as measured by its use of resources in the economy would be rising more rapidly than when stated on the normal volume basis.

The Cabinet decision to give a Christmas bonus to pensioners, costing about £106m, means that almost all the contingency reserve for 1978-79 has now been committed, because less than £200m was left a few months ago.

Gold at new high level as dollar falls again

BY MICHAEL BLANDEN

THE DOLLAR continued to slide in foreign exchange markets yesterday and the gold price rose to another new high level on strong demand.

Gold closed in London at $228½ an ounce, a rise of $1 from the previous day's level. The dollar again reached new lows against several leading European currencies, though, in less active trading, the volume of official support was more modest than on the previous day.

The dollar's trade-weighted depreciation, as calculated by Morgan Guaranty, at noon New York time, was unchanged at its low point of 11 per cent. The U.S. currency fell to a new low against the West German D-Mark, closing in London at DM1.8355 against DM1.8380, and slipped a little against the Swiss franc.

It closed slightly better, however, against the Japanese yen at Y182.2 against Y181.7. With no new factors to influence market dealings, the pound remained on the sidelines, ending unchanged against the dollar at $1.9960, but with its trade-weighted index falling from 62.1 to 62.0.

£ in New York

—	Oct. 17	Previous
Spot	$1.9850-9960	$1.9950-9940
1 month	0.50-0.40 dis	0.55-0.46 dis
3 months	1.60-1.50 dis	1.70-1.60 dis
12 months	5.80-5.70 dis	5.90-5.80 [illegible]

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 13pc 1980	£102¼	+ ¼
Babcock and Wilcox	157	+ 6
Bambers Stores	170	+ 5
Black (A. and C.)	148	+ 16
Brown and Jackson	266	+ 8
Camellia Invs.	318	+ 8
Common Bros.	166	+ 6
Linfood	136	+ 5
Lucas Inds.	315	+ 4
Man. Agency & Music	94½	+ 6
Marler Estates	30	+ 3
Marshall's Universal	140	+ 5
Mersey Dock Units	37½	+ 3½
Midland Educational	246	+ 16
Mining Supplies	113	+ 5
Reed Intnl.	180	+ 4
Ricardo	336	+ 6
Time Products	202	+ 4
W'minster Cy. Props.	28	+ 4½
Ayer Hitam	355	+ 15
Western Mining	143	+ 4

FALLS

Abercom Invs.	80	− 6
Glaxo	565	− 8
Greatermans A	135	− 15
Howard Tenens	27	− 3½
Regalian Prop.	21	− 3½
Anglo Amer. Corp.	337	− 11
Bishopsgate Plat.	101	− 5
Blyvoor	300	− 11
CRA	278	− 12
De Beers Dfd.	386	− 6
FS Geduld	£16½	− ¾
Kloof Gold	523	− 23
Libanon	470	− 15
MIM Hldgs.	191	− 6
Randfontein	£30¾	− 1¼
Rustenburg Plat.	103	− 7
Stilfontein	294	− 10
Union Corp.	284	− 12
Western Areas	150	− 6

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FEATURES

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EUROPEAN NEWS

Turkey to launch major drive to attract foreign capital

BY METIN MUNIR

ANKARA, Oct. 18.

A MAJOR drive to attract foreign capital to Turkey is being launched by Mr. Bulent Ecevit's Government. At its centre is a new Foreign Investment Code aimed at completely altering the country's attitude to overseas companies.

The aim is to attract investment of $1.2bn from Western companies over the next five years, with $960m coming from companies in the EEC. This compares with total foreign investment in the whole of the Turkish republic's 55-year existence of less than a quarter of that amount.

However, the relatively liberal foreign investment laws have been matched by acute political difficulties for would-be investors. The new code, now in draft form and not yet published, is designed to overcome these difficulties.

It aims to clear up inconsistencies, simplify red tape and express a change in attitude which may well prove revolutionary if its application is matched by its spirit.

The policy to date has been to encourage foreign capital if it introduces advanced technology, accelerates industrial development and is export-oriented or contributes to the country's foreign currency earnings. Joint ventures were normally required with a strong preference for a local equity majority.

The draft code—prepared by a committee of eight including the representatives of the ministries of finance, trade, tourism, state economic enterprises and foreign affairs—has not been made public.

The Financial Times has learnt, however, that it will contain provisions to attract foreign capital and remove most of the headaches.

According to one of these provisions, the Ministry of Trade, to which foreign private investment projects are submitted, would convey projects to the State Planning Organisation (SPO) three days after receiving them. The SPO would evaluate the projects and inform the Ministry of Trade of its decision within 30 days. Therefore, the aim is that in the space of 33 days the investors would know where they stood

This would be a significant development since delay in the evaluation of projects had been one of the principle obstacles deterring foreign investors.

An Italian-Swiss-French consortium's projects to establish a 5,200-bed tourist complex which has recently been given approval had been patiently waiting for a go ahead for five years.

The new code will specify areas in which foreign investment would be welcome. Tourism is one of these as well as a wide range of other sectors, predominantly industry. The new provisions, too, would require the introduction of advanced technology and emphasise foreign currency generation.

In another significant development, the insistence on the majority of local equity is to be dropped and replaced by a case-to-case study of each project. In tourism, for instance, 100 per cent foreign equity would be permitted and investors could also be allowed a majority in other fields.

Provisions would also be introduced to safeguard foreign investments. According to one of these, for instance, foreign investors who decide to pull out would be able to transfer overseas the sum invested within three years.

Areas of priority will be clearly enumerated. "Tourism is top priority," said Mr. Bilsay Kuruc, SPO under secretary, adding that the Ministry of Tourism was in the process of expanding incentives granted in that sector.

Conditions which prospective investors should keep in mind would be listed. Among these be mentioned projects helping to ease unemployment (a new element), the introduction of advanced technology and the generation of foreign exchange.

The Foreign Investment Code, which would supplement the Foreign Investment Act, will be published as soon as the fourth five year development plan (1979-1983) is passed by parliament—it is hoped by the end of this year.

The plan calls for an investment of $63bn of which $15.4bn must be secured from external resources. The Government's hopes of attracting foreign capital investments of $1.2bn over the next five years are ambitious since the annual average the Turkish Government is aiming at is equal to—or probably higher than—the total inflow to date—$300m.

President Scheel gives EEC links priority in Australasia visit

BY JONATHAN CARR

WELLINGTON, Oct. 18.

PRESIDENT Walter Scheel tomorrow arrives in Christchurch at the start of the first visit by a West German head of state to New Zealand and Australia. The composition of the party accompanying him—the Economics Minister Count Otto Lambsdorff, as well as leading industrial, trade union and farming representatives—alone would indicate that more is involved than a ceremonial event.

It is typical of much of Bonn's foreign policy these days that the purpose of the visit should be explained first in terms of the European Community's ties with Australia and New Zealand, only later in terms of bilateral relations. It is recognised that both countries reached an historic turning point when Britain joined the Community in 1973.

This, it is said in Bonn, imposes on the Community a responsibility which it would be unwise to duck, even if it could. Appreciation is expressed for the stabilising influence of both countries, not least militarily, in the Pacific and Far East region.

Australia as a fast-developing land with big national resources and a democratic tradition, could have a key role to play as mediator in those north-south discussions whose outcome is of vital importance for Europe.

A weakening of links between the Community on the one hand and Australia and New Zealand on the other could, it is felt, force the latter more into an Asian orbit—likely to be increasingly dominated in coming decades by Japan and China. Thus a change of trading patterns might draw after it political consequences of even wider significance.

That said, it is fair to expect that both the Australian and New Zealand Prime Ministers will have a particularly attentive audience this time when they remind their West German visitors of the severe difficulties raised by the Community's Common Agriculture Policy (CAP).

Certainly, individual farm issues are bound to be raised—for example the problem of continued access for New Zealand butter to the Community market after 1980. But a wider matter of principle is involved. Both New Zealand and Australia dispute the right of major farm producers, notably the Community, to adopt protectionist policies. Agricultural trade is basically different from trade in industrial products, they say.

Proportionately, the problem of access to the European Market for farm produce affects New Zealand more. But Australia can also point to a deterioration in its trade balance with West Germany for which the workings of the CAP are at least partly to blame. Last year Australian imports from West Germany (chiefly engineering goods, vehicles, ships and electrical goods) rose by about 20 per cent to DM 2.1bn, while exports to Germany (60 per cent raw materials and 16 per cent foodstuffs) dropped by more than 8 per cent to DM 1.4bn.

It is its abundance of raw materials — particularly iron, nickel and bauxite—which makes Australia of such crucial, bilateral economic importance to West Germany. Bonn is also interested in diversifying its uranium supplies to help to feed a nuclear reactor building programme which envisages more than 20,000 megawatts of installed capacity by 1985."

Further, both sides are clearly keen to intensify their existing cooperation in science and technology.

Both Count Lambsdorff and the vice president of the Federation of German Industry, Dr. Hans-Guenther Sohl, will also be examining prospects for more private German investment in Australia and New Zealand. In this field the Germans have so far been much less active than their importance as a trading partner would imply.

IRISH ECONOMY

Oil find no help to growth plans

BY STEWART DALBY IN DUBLIN

JUDGING by the euphoria caused in Dublin last week by the Phillips announcement of an oil find in the Atlantic, one might have thought that Ireland had won the World Cup, landed a man on the moon, or both. Yet here we are—nearly 20 years after the search for oil around Ireland's shores began—still without a significant find.

The Phillips well, 100 miles out in the Atlantic, tested at 730 barrels a day. It was drilled in water far deeper than the North Sea and was immediately said by Phillips not to be a commercial proposition. So hopes of Irish oil and the relief it would bring to the Republic's external payments have been cheated once again.

Ireland is a modest consumer of energy. It requires the equivalent of about 2 tons of oil per head yearly. Its population of 3m still consumes energy at about half the average EEC rate, but still has to import over 75 per cent of its energy needs. At present that means oil.

The yearning for Irish oil is readily understood in the context of the country's twin ambitions of a strong growth of the national economy and closer integration with the EEC as a whole, at the expense of loosening ties with Britain. Growth will have to be export led, and in the foreseeable future closer integration with Europe calls for joining the proposed European Monetary System (EMS), whether or not Britain decides to belong. That would require cutting the Irish pound free from sterling to which it is at present firmly tied.

It is crucial to realising both ambitions to keep a firm grip on external payments. An oil bill of £300m, equivalent to 10 per cent of total imports, which could balloon considerably if the oil price rises again, is the major obstacle to improving the balance of payments, although it is not the only one.

For international purposes Ireland is the western region of a much larger economy, that of Britain. This has allowed it to run trade and payments deficits on current account which, in proportion to its economic weight, are big enough to make the hair of a central European central banker stand on end. The deficits have not entailed any visible pressure on the Irish exchange rate simply because it has not had one of its own.

Irish banks have had to follow British interest rates usually to within a quarter of a percentage point of those prevailing in London. They are not legally required to do so, but if Irish banks began demanding higher interest rates they would quickly find that borrowers would go to London. Subject to that practical limitation the Irish Central Bank can act independently of Britain in deciding monetary policy as last week's partial credit squeeze showed.

Ireland has flourished as a member of the EEC. The Common Agricultural Policy has meant high prices for a country where 21 per cent of the working population is still employed on the land. Last year, for example, average farm income increased by 31 per cent which, after inflation in 1977 of about 11 per cent, was still good going.

This has encouraged the rationalisation of farming and greater efficiency. Access to the huge EEC market has attracted many foreign companies, notably U.S. and Japanese ones, to set up in Ireland — with considerable incentives from the Government. It has given a tremendous impetus to Ireland's industrialisation and in turn its exports.

Of the £1.862bn worth of goods exported in the first eight months of this year, 54 per cent has been manufactured goods. Exports as a whole have increased by 18.7 per cent. Ireland is anxious to reduce exports to the UK and expand in Europe as a whole, and it sees joining the European Monetary System as a way of achieving this.

Officials now talk in terms of three scenarios if a new system does come into being. Scenario 1 is that both Britain and Ireland go in and their currencies stay roughly in tandem. In this case they could both be dragged up in the international currency grid by the stronger European currencies. Exports to third countries, could in theory be hurt. But since only 20 per cent of Irish exports go to countries outside the EEC, and they are products which are not especially price-vulnerable, Export Board officials do not believe that this trade would be seriously jeopardised.

Scenario 2 is that Ireland goes in but Britain stays out. In that case, Irish exporters to Britain could be in trouble. Irish companies selling in Britain are mostly small-to-medium sized and if the Irish pound in a European monetary system rose against the British pound they would quickly become uncompetitive, the Export Board believes. In that eventuality the Government, it is thought, would have to provide some assistance.

At the last EEC Finance Ministers' meeting, Mr. George Colley, the Minister of Finance and deputy Prime Minister said a transfer of resources of £650m would be needed over and above aid from the EEC Regional and Social Funds if Ireland were to join the currency system.

In scenario 3 it proves impossible for Ireland to disentangle itself from sterling and both Britain and Ireland stay out. The likelihood then is that both currencies stay weak against the European group and that Ireland maintains a heavy dependence on trade with Britain. In other words, Ireland would be back where it started just over a decade ago, when it really started exporting manufactured goods.

There is a fourth possibility which officials are not so keen to talk about although there is ample evidence that it is much on their minds. It is that both Britain and Ireland go in — a prospect which looks increasingly likely—and that Ireland's pound eventually may have to be devalued within EMS against even the British pound. Because so much trade is still done between the two countries, British goods would become more expensive to Irish importers. The effect would be to inhibit economic activity in Ireland and to increase inflationary pressures.

The Irish economy is at present growing by about 5 per cent a year in real terms. Last year the trade deficit was £609m, but the current account deficit was

Mr. George Colley

only £122m, and was more than covered by capital imports. Reserves have grown to over £1bn.

But entry into the European Monetary System will demand rigorous self-control from individual economies. Supposing Irish imports did get out of hand, deflation would be the only effective answer.

When Ireland had its back to the payments wall in 1975, it had to cut off imports of capital goods, which were needed for industrialisation. Indeed, the 48.9 per cent of overall imports which come from Britain, are mostly capital goods. Some would argue that Ireland is only now recovering from the consequences

Mindful of the dire possibilities of balance of payments disequilibrium, the Government has introduced a partial credit squeeze. Imports of consumer goods, particularly of foreign cars and other luxury goods, had been soaring. Added to this there have been two bad months of export figures. The increase of exports is running at only 18.6 per cent, well below the target figure of 27 per cent. If both trends had been allowed to continue, the trade deficit would have been much bigger than the £400m officially expected this year.

The bigger the deficit, the more vulnerable a floating Irish pound would become. Hence the yearning for oil. One find, of no more than 100,000 barrels a day—not big by North Sea standards—would get Ireland off the hook and allow its growth to continue.

Supposing there is no oil and the price of imported oil rockets, what prospect then of Ireland's great growth target and its ambition to bring unemployment down?

Asia's 'serious food problem'

JAKARTA, Oct. 18.

DESPITE GENERALLY good harvests this year, Asia is facing "very serious" problems in boosting food production, said the director-general of the UN Food and Agriculture Organisation, Mr. Edouard Saouma.

Mr. Saouma said that, on a world-wide basis, "eradication of hunger and malnutrition remains as distant a goal as ever." He noted that since the 1950s, developing countries have gone from self-sufficiency in food to a combined deficit in food staples estimated at about 15m-20m tons.

AP-DJ

Brussels proposes higher coal subsidies

By Guy de Jonquieres

BRUSSELS, Oct. 18.

THE EUROPEAN Commission proposed today that the amount of EEC subsidies available for coking coal mined in the Community should be more than doubled to 70m units of account (about £47m) annually at the start of next year from 31m U.A. at present.

It is hoped that such an increase would reverse the steady decline in intra-EEC trade in coking coal, which has fallen from 20m tonnes a year in 1974 —the year in which the subsidy scheme went into effect—to about 12m tonnes in 1977. That was wel below the 15m tonnes level set as the maximum for which subsidies were available.

It is recognised that the decline in steel productions has been a major factor in this process—overall EEC consumption of coking coal fell from 60m tonnes to 44m tonnes a year between 1974 and 7977—but the Commission argues that sales of Community-mined coal have also been hit by rising transport costs and adverse exchange rate movements.

The proposal will besubmitted to EEC energy ministers at their December meeting. Before then, the ministers will be called on again to discuss a Commission proposal to provide 100m U.A. a year in EEC aid to steam coal mined in the Community.

Sweden's new premier urges spending restraint

BY WILLIAM DULLFORCE

STOCKHOLM, Oct. 18.

MR. OLA ULLSTEN, Prime Minister in Sweden's new Liberal minority government, today warned that the Treasury's resources were limited and urged the other political parties not to press for new spending measures in the 1979 budget. The Riksdag (Parliament) had to take responsibility for the country's economy, he said in a cautiously worded government declaration.

Ten of the 19-member Cabinet presented by Mr. Ullsten today have been recruited from outside the Riksdag. It includes six women, the highest number so far to sit in a Swedish government. Five ministers are practising Christians, a reflection of the Liberal Party's link with the Swedish Free Church movement.

The Ullsten Goverment has the direct support of only the 39 Liberals in the 349-member Riksdag and will have to negotiate majorities for its measures either with the Centre Party and Moderates (Conservatives), its partners in the previous government, or with the Social Democrats. It has 11 months until the next general election in which to make its mark.

Mr. Ullsten told the Riksdag he would pursue a "social-liberal" programme. It would seek to combine a market economy with social justice, grassroots democracy with an attempt to halt bureaucratisation. It would fight unemployment and inflation.

In the more specific parts of his programme, Mr. Ullsten promised reductions in marginal taxation, improved conditions for small busineses and stronger government support for industrial research and development. These are policies inherited from the non-socialist coalition which collapsed two weeks ago because of differences over nuclear power.

The new government would operate an energy policy based on broad majority backing in the Riksdag and the country, Mr. Ullsten said. Safety controls would be sharpened for all types of energy. A majority of MPs favours continuation of Sweden's nuclear power programme but Mr. Ullsten's declaration suggests that he may be willing to postpone construction of the 11th nuclear power station.

Mr. Carl Tham, 39, the Liberal Party secretary and one of Mr. Ullsten's closest aides, has been appointed "Co-ordinating Minister" with responsibility for energy matters. His job will be to stitch together parliamentary majorities for the minority government.

A career diplomat, Mr. Hans Blix, 50, an expert on international law and disarmament, becomes foreign Minister. A new post is that of deputy Finance Minister with responsibility for salaries and pensions. This job goes to Mrs. Marianne Wahlberg, 61, one of the new women members of the Cabinet.

Record Austrian budget deficit

BY PAUL LENDVAI

VIENNA, Oct. 18.

DR. HANNES ANDROSCH, Austrian Finance Minister, today presented the federal budget for 1979 with a record deficit of Sch 49.3bn (about $1.53bn) to parliament. At the same time he claimed that Austria was a country with one of the most stable and rapidly growing economies in Europe.

Both the opposition speakers and independent economic commentators criticised the Minister's "juggling with figures" based on what they called "phoney" comparisons between the actual budget deficit this year and the draft estimate for 1979 (in Austria the budget coincides with the calendar year).

If the present draft budget is compared with that presented for 1978, the increase in the deficit is Sch 10bn or almost 30 per cent, Dr. Josef Taus, the main opposition speaker said. He added that Dr. Androsch's claims with regard to a rise in gold and foreign exchange reserves by Sch 10m to Sch 75bn (against a projected fall by Sch 15bn) were "ridiculous" since it was a question of money borrowed abroad.

Dr. Androsch claimed that the 1979 budget was "globally restrictive but selectively expansive" in order to combine stability with full employment. The budget projections are based on an estimated economic growth of 3 per cent in real terms. Between 1970-78 Austria had an unemployment rate of 1.9 per cent, one of the lowest in the world. Real economic growth during the same period was 44 per cent. This year GNP will be up by 2 per cent instead of the projected 1.5 per cent while the inflation rate will be 3.6 per cent against an estimated 5 per cent.

He also said that the net budget deficit in terms of GNP will drop from 4.6 per cent in 1976 to 4.1 per cent this year and 3.4 per cent in 1979. But opposition spokesmen were quick to point out that the national debt has risen from 12.7 per cent of GNP to a projected 25 per cent next year and that Dr. Androsch was presenting what was by far the highest deficit in a draft budget on record. New measures introduced in January including higher postal rates, rail fares and cuts in various subsidies should bring in about Sch 6bn to finance a controversial reduction in income tax costing the treasury Sch 3bn and a rise in the salaries of public employees.

Pricing study of EEC drugs

By Giles Merritt

BRUSSELS, Oct. 18.

THE BRUSSELS Commission has decided to undertake a special study of the European drugs industry with a view to ironing out the more glaring price anomalies that exist among EEC member countries.

The commission's investigation of the pricing policies of national pharmaceutical industries is due to take about two years, at the end of which it will be submitting detailed proposals to the European Council. A decision by the Council on the Commission's suggestions for eliminating obstacles to freer trading of pharmaceuticals inside the EEC can therefore be expected by the end of 1981 at the latest.

The European Commission has already embarked on a study of drug safety and quality, but it is understood that the scope of that investigation is being widened to include possible restrictive practices.

German electro-technical demand gathers pace

BY GUY HAWTIN

FRANKFURT, Oct. 18.

AN UPTURN in demand for electro-technical products has improved the performance statistics of West Germany's mighty electrical industry. But although things are going considerably better than at the beginning of the year, there are still no signs of a firm upwards trend.

In the electro-technical sector nominal demand has risen by 7.8 per cent during the first eight months of the year compared with the same period of 1977, according to Dr. Hans K. Goebringer, President of the Central Association of the Electro-technical Industry here.

Overseas demand, however, continues weak. Thanks to a major contract in the power station field, bookings in the first eight months of the year show a 6 per cent improvement. If the large contracts are excluded from both year's figures —giving a clearer picture of the "bread and butter" business — an improvement of 3.9 per cent is registered.

SPAIN'S DEMOCRATIC PARTY CONGRESS

In search of an image

BY ROBERT GRAHAM IN MADRID

AT A Press conference this week organised by the ruling party, Union de Centro Democratico (UCD), a journalist asked, tongue in cheek: "The Communists have decided to drop Leninism (from their ideology), the Socialists have abandoned Marxism, what are you going to abandon?"

"We have nothing to abandon," the spokesman rejoined with a grin.

Though a glib answer, it underlines a basic truth about the party, which is headed by the Prime Minister, Sr. Adolfo Suarez. Of the major parties in Spain, UCD is the least fettered by ideological baggage. Indeed, its detractors say it only accepts the ideology of opportunism.

Even its own members admit that it is still trying to prove it is something more than a chance creation of the transition period from dictatorship to democracy. The need to establish itself as a permanent institution with an identifiable political creed will be the main task of the party's first congress that opens here on Thursday.

UCD was the name adopted by a loose grouping of 15 small parties of the Right and Centre that united under the leadership of Sr. Suarez to fight Spain's first democratic elections since the end of the Franco dictatorship. For its success, the coalition relied heavily upon the carefully nurtured image of Sr Suarez as the youthful, efficient administrator of transition who enjoyed the confidence of the King. The moderate look of UCD also played upon the electorate's distaste for too radical a break with the past.

The party obtained 33.8 per cent of the poll at the general election last year, gaining 165 seats in the Lower House of Parliament and 105 in the Senate. Such elecoral success obliged Sr. Suarez to consider UCD as his political base and ensured the party's survival. UCD was formally constituted as a political party on August 4 last year, seven weeks after the elections.

From the outset Sr. Suarez has sought to forge UCD into an homogenous political organisation. In principle all the political parties last December agreed to dissolve. However, the old identities are still evident largely because personalities dominate the parties. The Social Democrats, grouped round the ambitious finance minister Sr. Francisco Fernandez-Ordonez, are clearly defined, commanding the loyalty of 16 deputies in Parliament. So too are the 13 Liberal MPs who accept Public Works Minister Sr. Joaquin Garrigues Walker as their leader.

The separate party identities further survive because Sr. Suarez has been obliged to recognise their varying degrees of importance in balancing political appointments. The Social Democrats form a group whose permanence inside UCD cannot be taken for granted, as it hints frequently that it would be willing to consider working with a Socialist Government. Thus the First Secretary General of UCD is likely to be a Social Democrat, Sr. Rafael Arias Salgado, recently made director of the State television network.

The top echelon of UCD has more figures drawn from the Franco administration than it would like to admit. Their adoption of democratic clothing has not yet affected the party's credibility. However, the way in which men like Sr. Suarez can move from being Secretary General of Franco's principal political organisation, the Movimiento to heading a party that espouses democratic centrist principles has inevitably blurred UCD's ideology.

The party's development of a home-grown strategy has been inhibited by Sr. Suarez' policy of consensus politics and his determination to satisfy the centre and centre left.

Sr. Suarez has judged, quite correctly it seems, that the bulk of the electorate's sympathies lie somewhere between centre and centre-left. This tactic has led to considerable strain within the party, as Sr. Suarez has been accused of seeking to placate or win over Socialist votes at the expense of his real base on the Right. The most recent desertion was a former economic adviser to the Prime Minister, Sr. Jose Ramon Lasuen, who has joined a group of independents in Parliament.

Long term, the alienation of the party base is risky. The limits to this policy could well be exposed in the long delayed municipal elections, now expected to be held in the spring. At the national level the electorate still wants moderate reformism. But locally most observers anticipate a swing to the Socialists and the Communists. Against this background—and the prospect of another General Election later in the year—there is a strong movement within the party for a more clear-cut image. The slogan "UCD is the centre" seems too woolly.

The Congress also must improve the party's organisation. Only in this way can membership be effectively recruited and maintained. Over 6m persons voted for the party in the general elections. Yet on the last count in July there were just under 80,000 card-carrying members throughout Spain. The Communist Party by contrast obtained a fifth of the UCD vote in the general elections but now has almost three times as many paid-up members.

Unlike the Communists or the Socialists, the UCD has not been able to establish its organisation at a grass roots level. It has no proper base in the trade unions. Though claiming not to be a class party, the leadership is essentially middle class and its image appeals to middle class values. The Congress for instance is expected to reject any liberalisation of abortion and support continued State aids for private education, principally carried out by Church institutions.

The party's most serious defect, however, is its subordination to the Government. The Government has influenced party policy while the party has made virtually no attempt to reverse the roles. Perhaps this is inevitable in the light of Sr. Suarez' view that the party leader should play a Presidential role. But the net effect of the subordination of the Secretray General and Sr Suarez' direct control over the Executive Committee is to weaken the party's authority and make it look like an organ of state.

So long as Sr. Suarez remains Premier it is hard to see him altering his Presidential approach to the running of the party, no matter what the Congress decides about party statutes. Equally so long as Sr Suarez remains the party's chief electoral asset and unifying force the party is unlikely to challenge this role. Thus the key party posts — Secretary General and a New Executive Committee—are expected to go at the Congress to his supporters, if not friends. This will increase the party's tendency to fashion itself round one man and not an ideal.

Canadian post strike

By Victor Mackie

THE CANADIAN House of Commons has passed legislation aimed at ending the strike of the inside postal workers and providing for labour peace within the Post Office until December next year.

The legislation was before the Senate today for final approval. After it passes through the Senate, the striking postal workers will be ordered to return to work tomorrow.

Once the Bill becomes law, a member who defies the order to return to work would be fined C$100 (£42.50) a day for each day off the job.

Pilot at fault in Tenerife air crash

By Our Own Correspondent

MADRID, Oct. 18.

A PILOT'S insistence on proceeding with take-off before obtaining full clearance was today named as the principal cause for the world's worst air disaster. This is the main conclusion of a report prepared by the Spanish Accident Investigation Commission on the collision between a Pan Am and a KLM jumbo on the runway at Tenerife Airport on March 27, 1977, that resulted in the death of 583 passengers and crew.

The Commission's report is the result of over 18 months patient investigation. It is regarded as purely technical with no juridical backing. However, a copy has been handed here to the American and Dutch embassies and transport sources said it would now provide the basis for the extensive legal wrangles surrounding claims arising from the disaster. In the KLM jumbo all [illegible] passengers and crew died while in the Pan Am aircraft [illegible] were killed and 59 survived.

The report says that the KLM pilot, Captain Jacob Veldhuyzen van Zanten, had received his route authorisation but no take-off clearance. In spite of this he decided to begin take-off. He further chose to ignore questions by the flight engineer about the possible presence of the Pan Am aircraft on the runway.

The report says there were a number of contributory factors that led up to the accident. Weather at Tenerife airport was very bad with poor visibility. Hazardous weather conditions were compounded by language difficulties between the control tower and the KLM aircraft. Neither side seemed to fully understand what the other was saying.

Another contributory element was the position of the Pan Am jumbo. This had taxied from the runway by an incorrect exit which led to general confusion as to its whereabouts. Meanwhile the control tower itself was under considerable pressure as a result of the bad weather and chaos at the neighbouring Las Palmas airport which had been evacuated following a bomb scare. The report speculates that since the pilot had spent the past ten years as a flying instructor he was out of commercial flight practice. It also suggests that in opting to take off when he did, he displayed impatience.

OVERSEAS NEWS

RAILWAYS IN SOUTHERN AFRICA

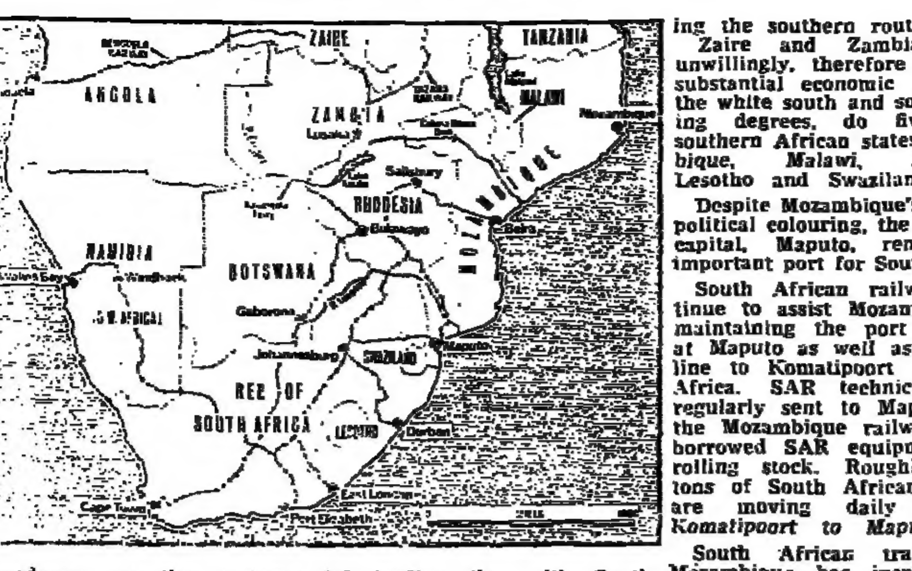
Rolling across political frontiers

BY OUR FOREIGN STAFF

AFTER YEARS of enforced idleness, two of Southern Africa's most important railway routes—the Benguela railway from Zaire to Lobito and Zambia's "southern" line to South Africa—are coming into action again.

Both Angola's plan to re-open the Benguela railway next month and Zambia's decision to use its rail links through Rhodesia to South Africa point up the immense political importance of Southern Africa's complicated communications network.

The Zambian move underlines another harsh fact of political life: the economic inter-dependence of countries in the region, be they black or white ruled. This in turn means that any attempt to impose economic sanctions on South Africa could have severe repercussions on the black states which surround the republic and with which it has substantial trade and communications ties.



It is ironic that the scheduled re-opening of Benguela, which should reduce Zaire and Zambia's dependence on the "white south," has been announced in the same month as the partial re-opening of the Zambia-Rhodesia border, which will make President Kaunda somewhat dependent on the Pretoria and Salisbury Governments.

The decision to reopen Benguela was announced in Luanda this week at the end of an important three-day visit to Angola by President Mobutu of Zaire. The visit set the seal on the political rapprochement that has developed in recent months between the two ideologically opposed countries, which have long been hostile. President Mobutu and President Neto of Angola attempted a similar accommodation in 1976 which came to nothing, so there must be some doubts about their current friendly overtures. Nevertheless, the improved climate could be of major geo-political importance if it leads to greater stability in troubled central Africa.

There must also be doubts about Angola's ability to keep the Benguela line open. The railway—already open within Angola—has been the subject of attacks by the UNITA guerilla movement of Dr. Jonas Savimbi, which is still operating in southern Angola.

The railway line was severed during the 1975/76 Angolan civil war and this dealt a severe blow to Zaire and Zambia, which had been shifting a substantial proportion of their vital copper exports along the line to the Atlantic port of Lobito. Just before the closure of the line, Benguela was carrying 34 per cent of Zambia's international trade.

The cutting of the route meant for Zaire greatly increased dependency on the tortuous "southern route" through Zambia and Rhodesia to South Africa and, until the closure of the Rhodesia-Mozambique border in 1976, to the ports of Mozambique. Thus, despite sanctions on Rhodesia, trains to and from Zaire have long crossed Rhodesia. It is estimated that about 22,000 tons of Zairean copper a month are being channelled along this route to the South African port of East London.

Zaire has also continued to buy substantial quantities of goods from South Africa, much of it sent by rail, although there is also a regular shipping service between South Africa and the Zairean port of Matadi. Food is Zaire's main South African import, although sizeable quantities of fuel oil have also been railed. The railway has also carried cooking coal to Zaire from Rhodesia's Wankie colliery and, according to some reports, quantities of Rhodesian maize.

For Zambia, which shut its border with Rhodesia in 1973, the closure of the Benguela railway meant an immensely enhanced dependence on the new Tazara railway line to Dar Es Salaam—built especially to reduce Zambia's dependence on the white south.

By this year Dar Es Salaam was handling 90 per cent of Zambia's external trade and proving itself unequal to the task. Problems in the port and on the railway line meant that Zambia could not export enough of its copper and could not bring in essential fertiliser supplies in sufficient quantities. The result was the re-opening of the Rhodesia railway link to South Africa.

As it is, Zambia has substantial trading ties with South Africa—even though President Kaunda has for years tried to escape his country's colonial legacy of close economic links with the white south. In 1965, Zambia exported goods to South Africa worth Kwacha 24.9m and imported goods worth K41.4m. Although Zambian exports to South Africa have been negligible in the past couple of years, imports for 1976 were K36m and between K40m and K50m last year.

These imports—plant and spares for the mines, lubricating oil, machinery, other goods ranging from beer bottles to cheese and soap powder—came mainly along the road which runs through northern Botswana to the Kazangula ferry, where the borders of Rhodesia, Botswana and Zambia meet.

The ferry, which has become an important link in southern Africa's transport network, was recently carrying up to 800 trucks a month. Prior to the re-opening of the Zambia-Rhodesia border, elaborate plans had been made to increase its carrying capacity to over 2,000 trucks a month to cope with Zambia's fertiliser imports.

However, neither the ferry nor the gravel Francistown-Kazangula road could cope with the new demands being made on them. By last week, the road was reported to be in bad shape, while the ferry had been disrupted several times by technical hitches and sporadic firing between Rhodesia, Botswana and Zambian troops.

But if Benguela does become operative, Zambia would like to use the line as much as possible, since there is much unease in Lusaka about the dangers of Mr. Robert Mugabe's Zanu guerrillas in Rhodesia sabotaging the southern route.

Zaire and Zambia, albeit unwillingly, therefore maintain substantial economic ties with the white south and so, in varying degrees, do five other southern African states: Mozambique, Malawi, Botswana, Lesotho and Swaziland.

Despite Mozambique's socialist political colouring, the country's capital, Maputo, remains an important port for South Africa.

South African railways continue to assist Mozambique in maintaining the port facilities at Maputo as well as the rail line to Komatipoort in South Africa. SAR technicians are regularly sent to Maputo, and the Mozambique railways have borrowed SAR equipment and rolling stock. Roughly 15,000 tons of South African exports are moving daily through Komatipoort to Maputo.

South African trade with Mozambique has increased in recent months following the easing of foreign currency restrictions in that country, and Johannesburg traders claim that South Africa's share of the Mozambique market is bigger now than before independence in 1975.

South Africa, and to a lesser extent Rhodesia, continue to be important trading partners of Malawi, whose President Dr. Kamuzu Banda, has long been the odd-man out of black southern African politics in his cordial relations with Pretoria. Last year South Africa provided some 36 per cent of Malawi's imports, worth R39m (£22.8m).

Though trade in the opposite direction was much lower, for political reasons South African tea blenders are obliged by the Pretoria government to buy 7 per cent (or about 1,500 tons a year) of their requirements from Malawi.

But placed in the most difficult position as regards economic links with South Africa are the country's three immediate neighbours, Botswana, Lesotho and Swaziland. They are often referred to as South Africa's hostages, for any major economic move against the Republic would also have severe repercussions on them. The three belong to the same customs union as South Africa and are dependent on the country for most of their trade, including oil imports.

Few examples point up the inter-dependency of southern Africa better than the fact that Rhodesia Railways still runs the railway line that runs from South Africa to Bulawayo through Botswana—one of the five "front line" states embattled against the Salisbury Government.

Iranian Minister resigns

By Andrew Whitley

TEHRAN, Oct. 18.

AFTER SEVERAL days of mounting speculation, the Iranian Government today confirmed two developments likely to prove additional headaches for Mr. Sharif-Emami, the Prime Minister.

A second Minister, Mr. Houshang Nahavandi, has resigned his post, apparently because of disagreements over pay policy. In a separate development, General Nematullah Nassiri, the head of Savak (the secret police), a long-time friend of the Shah, was brought back from his post as Ambassador to Islamabad, to face charges of corruption and abuse of power during his Savak days.

In his leaving letter to the Premier, Mr. Nahavandi attacks the Government for accepting virtually all the pay demands being raised by hundreds of thousands of public sector workers. The underlying reason for this departure from the Government is thought to be his intention of setting up his own political party to contest next year's general election.

The Minister of Health resigned 10 days ago, underlining the apparent divisions within the Cabinet.

Only a few hours before the confirmation of Mr. Nahavandi's resignation, the Government announced an overall pay policy for the public sector. The four main points are a flat increase of 7,500 rials (£53) in monthly salaries, an improvement in the salary scale, the doubling of the value of non-financial fringe benefits, and a 30 per cent rise for workers in unhealthy employment.

Japan 'should increase aid'

PARIS, Oct. 18.

JAPANESE AID commitments will have to increase "significantly" in the near future if it is to bring disbursements up to the target level set by the Japanese Government, the Organisation for Economic Co-operation and Development (OECD) said yesterday.

In its annual review of Japanese aid, the OECD's Development Assistance Committee noted that Japan's net Official Development Assistance (ODA) disbursements increased 17 per cent in national currency (29 per cent in dollar terms) last year to $1.4bn.

But expressed as a percentage of Gross National Product disbursements rose only to 0.21 per cent from 0.20 per cent, compared with 0.31 per cent for all donor countries combined.

AP-DJ

Rhodesians raid guerrilla bases in Mozambique

BY TONY HAWKINS

SALISBURY, Oct. 18.

RHODESIA today launched a major raid against Zanla guerrilla basis inside Mozambique for the second time in a month.

In a brief communiqué, Combined Operations Headquarters gave no further details but promised that additional communiqués would follow on the progress of what it called "self-defence raids against terrorists" loyal to Mr. Robert Mugabe.

The raid comes after Sunday night's mortar and rocket attack against the eastern border city of Umtali by Mugabe guerrillas in which five people were wounded.

On September 30, Rhodesian security forces launched a three-day attack against Zanla bases inside Mozambique. They claimed to have destroyed 25 bases in the attack and to have eliminated several hundred guerrillas.

At the time, officials said that Rhodesian troops were operating inside Mozambique on a daily basis and gave details of seven previously unpublicised raids against bases in both Mozambique and Zambia.

The fact that today's raid was launched while all four members of the Executive Council of the transitional Government are in the U.S. indicates that the day-to-day conduct of the war has been left in the hands of the Combined Operations commanders.

Rhodesia has now acknowledged making at least [illegible] major raids into three neighbouring states that harabour guerillas—Botswana, Mozambique and Zambia. Intelligence officials say that thousands of Mugabe guerillas are waiting in Mozambique to cross into Rhodesia. They have been transferred to bases hundreds of miles from the border in an effort to avoid cross-border attacks by Rhodesian forces. About 8,000 guerillas are operating inside Rhodesia.

The raid—just before the Washington talks between the Rhodesian Executive Council and U.S. and British officials—is part of Salisbury's strategy of strengthening its bargaining hand before any talks involving the Patriotic Front led by Mr. Mugabe and Mr. Joshua Nkomo.

In a separate development, the former publishers of the Lonrho Group's banned Zimbabwe Times, announced plans to launch a new African daily on Friday. To be known as The World, the paper will be published by a newly registered company but, with a change of editor, will use the same staff and premises as the Zimbabwe Times. The Zimbabwe Times was banned because of support for the Nkomo wing of the Patriotic Front.

Cautious optimism in Lebanon

BY IHSAN HIJAZI

BEIRUT, Oct. 18.

MOVES ARE under way to apply new security measures here to stabilise the ceasefire and lessen the danger of friction between Syrian troops of the Arab peace-keeping force and the Christian militias.

The new measures, endorsed yesterday by the confecence of foreign ministers of the Arab countries contributing to the force, are expected to be completed by next Saturday.

The conference, which met at the mountain resort of Beiteddin about 20 miles southeast of here, also called for disarming the private militias and rebuilding the Lebanese army so it may eventually take over the duties of the Arab force which originally came here two years ago to end the civil war.

Under the projected security measures, Saudi and Sudanese units will replace Syrian troops in the Christian quarters of east Beirut. The Sudanese will take control of the strategic bridges at the northeastern approaches of the capital, while the Saudis will move into Ashrafiyah.

The bridges were the scene of fierce fighting between the Syrians and the Christian militias before the present ceasefire took effect 11 days ago.

Although right-wing leader Camille Chamoun has reacted negatively to the recommendations by the Beiteddin conference, the main Christian group, the Phalange party, was reported by reliable sources to have promised to cooperate in the fulfillment of the new security measures.

Observers expect warnings issued to Mr. Chamoun by France and the U.S. to deter him from starting up the fighting again.

Moslem and leftist leaders have supported the Beiteddin resolutions which meant that their cooperation has been ensured.

Observers are cautionsly optimistic that the ceasefire may last for a while this time to provide president Elias Sarkis with time to deal with the political complexities.

UAE to launch planning board

BY KATHLEEN BISHTAWI

ABU DHABI, Oct. 18.

THE UNITED Arab Emirates is shortly to establish a National Planing Board to assess future economic policy for the seven sheikhdoms.

So far the rulers of the individual emirates have insisted on determining their own economic and industrial strategies. The lack of coordinated planning has resulted in numerous examples of duplication, over-building and projects of questionable viability.

A government planning official said that the new board would comprise top personalities in the UAE, cabinet ministers as well as economic experts.

The Board would decide future direction of industrial strategy and would have numerous sub-committees to encompass planning by sector and for each emirate.

The board's establishment is the first step to a national development plan, said the official. The UAE planning authorities are in the midst of completing a number of sectoral surveys in such fields as manpower, industry, water resources, electricity, education, agriculture. In 1979, these studies were to be assessed so that a cohesive development plan for the whole country could be formulated for 1980.

It had not yet been decided whether the 1980 plan would be for the present year.

The official also revealed that Abu Dhabi's own development budget for 1979 would amount to DH6.5bn as against DH5.3bn for three or five years.

India's Janata party faces new divisions

BY K. K. SHARMA

NEW DELHI, Oct. 18.

THE CONTINUING crisis in the divided ruling Janata party took on a new dimension today when the party President, Mr. Chandra Shekhar, issued a statement which is interpreted as a direct challenge to the authority of Prime Minister Moraji Desai.

Mr. Chandra Shekhar seized the opportunity given by Mr. Desai's recent condemnation of former home minister Charan Singh's plan to organise a farmer's rally on December 23. The rally is ostensibly meant to highlight grievances of farmers and is to be held on the birthday of Mr. Charan Singh who was ousted from the cabinet by Mr. Desai four months ago.

Mr. Desai last week called the rally a "political conspiracy." Mr. Chandra Shekhar has now said he saw "nothing wrong" with the plans for the rally provided it was confined to celebrating Mr. Charan Singh's birthday and expressing farmers' grievances.

Mr. Chandra Shekhar has thus publicly differed with Mr. Desai and to that extent weakened the Prime Minister's authority. Recent events have, in fact, eroded Mr. Desai's position and he finds himself isolated because of his statement welcoming Mrs. Indira Gandhi's entry into parliament. Following Mr. Chandra Shekhar's statement that Mrs. Gandhi's election would be "an insult to the country," Mr. Desai also changed his stand and has now declared that "Mrs. Gandhi must be defeated."

Observers feel that Mr. Chandra Shekhar, whose term as the Janata party president will come to an end when its organisational elections are held in December, has staked his claim to the Prime Ministership. Both of Mr. Desai's main rivals in the past—Mr. Charan Singh and Defence Minister Jagjivan Ram—are now thought to be out of the running. Mr. Charan Singh has been worsted in his running battle with Mr. Desai while Mr. Ram's chances have dimmed considerably because of a sex scandal in which his son is involved.

Mr. Chandra Shekhar is in his fifties and has an unblemished record. A bitter critic of Mrs. Gandhi when he was in the Congress, he was jailed by her during her emergency rule. When he quit and joined the Janata party with a reputation of a fierce "young turk," he was acceptable to all the groups in the party and became its president. Although he supported Mr. Desai during the latter's tussle with Mr. Charan Singh, Mr. Chandra Shekhar has now openly let it be known that he is opposed to several of Mr. Desai's policies and statements. With his latest statement, the challenge has come into the open.

Pakistan Press protest

BY CHRIS SHERWELL

ISLAMABAD, Oct. 18.

THE EDITORS of seven daily newspapers and one weekly newspaper affected by the military government's censorship order of last Monday have decided to suspend publication for three days in protest. They include Musawaat, the official paper of the Pakistan People's Party of the jailed former Prime Minister Mr. Bhutto.

The protest follows a strong statement condemning the Government's action yesterday from the journalists' union chief, Mr. Minhaj Barna. But its impact is likely to be harder on the newspapers themselves than on public opinion, as the editors hope.

In a statement issued in Karachi today, the editors describe the government's action as arbitrary and partisan, aimed at destroying "independent and opposition" newspapers and at encouraging a "conformist" Press, and some of the papers will face financial problems as they have small circulations.

Musawaat appeared this morning with blank spaces and no editorial, and today the editors complained that items cut out of their newspapers actually appeared in papers not subject to the censorship orders. The editors said they would consider suspending publication for good if the orders are not withdrawn.

The list of signatories includes the editors of three newspapers previously thought not to have been a target of the government's action. This means that at least 11 newspapers are being scrutinised by teams of Government information officers, magistrates and martial law representatives before they go to press.

Newspapers in Pakistan have been subject to censorship on at least two occasions in recent years, during Mr. Bhutto's period in power and since the armed forces under General Zia-ul-haq ousted Mr. Bhutto from office in July last year. The latest move appears to be directed primarily at newspapers known to be sympathetic to Mr. Bhutto, whose supporters have recently attempted to launch a campaign on his behalf to coincide with the ending of his appeal against the death sentence in the supreme court.

U.S. may challenge Japan on 'cheap' loan for China

BY CHARLES SMITH TOKYO, Oct. 18.

JAPAN'S PLAN to extend a low-interest rate "development" loan to China, as part of the financial package under which the two countries will double their two-way trade over the next few years, is likely to be challenged by the U.S. at next week's OECD meeting in Paris on the vexed issue of export credits to developing countries.

The main purpose of the OECD meeting is to review the present "gentleman's agreement" under which the minimum interest rate for tied export credits extended to developing countries (for over five years) by member nations is set at 7.5 per cent.

The U.S. is said to be anxious to raise the minimum to bring the agreement more into line with interest rates in its domestic market.

It also intends to challenge Japan's claim that a united loan for the development of China's oil and coal resources, which is being planned by the Export-Import Bank, falls outside the scope of the gentlemen's agreement.

The Exim-bank is reported to have set the rate for this loan at 6.25 per cent. The amount is likely to be between $1bn and $2bn. The loan would be issued for five years but would be renewable for a further five years if China so desires.

Japan claims that the proposed development loan does not come within the scope of the gentleman's agreement because it will not be formally tied to the import of Japanese goods. It is no secret however, that the loan has been proposed as part of an ambitious financing package whose main purpose is to enable China to afford a sharp increase in Japanese plant imports over the next few years.

From this point of view the loan appears as a consolation prize to China for Peking's failure to extract low interest rates from Japan on the credits which will be directly tied to Japanese plant exports.

As a case in point Japan will insist on keeping the financing terms for the proposed Shanghai integrated steel plant (to be built by Nippon Steel Corporation) within the terms of the OECD gentleman's agreement.

Japanese officials and businessmen claim that the U.S. is using the interest rate issue partly as a means of gaining time until the normalisation of diplomatic relations between Peking and Washington opens the way for American companies to compete on equal terms in China's market.

There is an undercurrent of opinion in the Japanese business world, however, which maintains that stricter guidelines on the financing of trade with China may be necessary and desirable.

Japan's surplus on trade with China is expected to grow, according to one private estimate, from some $390m in 1977 (on two way trade of around $3.5bn) to $3.6bn in 1980.

Orders worth £273m placed by airlines

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

NEW ORDERS for U.S. jet airliners worth over £123m were announced yesterday by three airlines, following orders worth over £150m announced earlier in the week by Trans World Airlines of the U.S.

British West Indian Airlines of Trinidad is buying two long-range Dash 500 Lockheed TriStar airliners, worth over £42m, with an option on two more. The aircraft will have Rolls-Royce RB-211-524 engines, worth over £16m to the UK engine company.

The BWIA deal brings to 50 the number of Dash 500 TriStars on order for five airlines, including British Airways, Pan American and Delta, and brings to 247 the total number of Rolls-powered TriStars of all versions now ordered.

Rolls-Royce's export deliveries of RB-211 engines of all versions now are worth over £550m.

Other major airline orders announced yesterday include three McDonnell Douglas DC-10 long-range jets for World Airways of the U.S., for delivery in 1980, worth $140m (over £70m), while Ozark Airlines of the U.S. has ordered two Douglas DC-9 Series 30 twin-jet airliners, worth about $22m (over £11m).

More talks on Fokker planned

BY CHARLES BATCHELOR

AMSTERDAM, Oct. 18.

GOVERNMENT level talks on aircraft co-operation between Holland and France have produced no immediate results but France is ready to discuss the project further.

Economics Minister Mr. Gijs Van Aardenne and the State Secretary at the Defence Ministry, Dr. W. Van Eekelen flew to Paris yesterday to discuss French participation in the Fokker group's F-29 jet.

Fokker hopes the French aircraft industry will make a risk bearing contribution to the development of the F-29 which is due to come into service in 1984.

The second round of talks will take place in the very near future since a decision must be taken before the end of November, Mr. Van Aardenne said on his return from Paris.

The French have said they will place reciprocal orders with Fokker if Holland decides to order the Dassault Breguet Atlantique as a replacement for Neptunes currently used for marine reconnaissance.

Fokker in turn wants French participation in the development of the F-29 jet while France hopes Fokker will become a partner in the A310 Airbus project.

Soft line on boycott by many Arab banks

BY MAURICE SAMUELSON

ARAB BANKING concerns are maintaining their international boycott of blacklisted investment houses in spite of anti-boycott legislation in the U.S., according to an analysis conducted by Boycott Report, published by the American Jewish Congress. There are, however, some notable exceptions.

Kuwaiti banks very rarely take part in loan syndicates co-managed by blacklisted banks and refuse to allow blacklisted banks in syndications co-managed by Arabs. But even with Kuwait there is the occasional exception.

Nevertheless, numerous banks with Arab connections take a soft line on the boycott and sometimes ignore it altogether. According to the Boycott Report, the Paris-based Banque Arabe et Internationale d'Investissement and the Israeli Bank Le'umi took part in a loan offering in Venezuela.

The Union de Banques Arabes et Francaises took part in a syndicate co-managed by S. G. Warburg, the Jewish-owned merchant bank. In a Japanese offering, where Abu Dhabi Investment Company was a co-manager, five blacklisted finance houses were admitted to the syndicate.

Warburg also managed more Eurodollar deals in 1978 and 1977 than any other bank and when Fluor, the Middle East construction concern, listed its shares on the London Stock Exchange, Warburg was at the head of the sponsors.

According to the Arab-British Chamber of Commerce, both Warburg and N. M. Rothschild are still on the Arab blacklist. However, both these merchant banks took part in two South American issues co-managed by the National Bank of Abu Dhabi.

Meanwhile, Libya and Iraq have joined other Arab states in adapting themselves to the American banning of negative certificates of origin which they previously required in overseas trade deals.

Both countries now require affirmative certificates of origin. Although both documents provide the same information on whether or not goods originate in Israel, affirmative certificates are regarded as less objectionable by critics of the boycott.

● Eighteen ships, from West Germany, Britain, Greece, Finland and Japan, were yesterday blacklisted for breaking the Arab boycott, it was announced in Qatar.

TWA 'considering' Airbus

BY OUR AEROSPACE CORRESPONDENT

TRANS WORLD AIRLINES of the U.S. "continues to have under active study" the possible purchase of the European A-300 Airbus as part of its future fleet needs.

Mr. C. E. Meyer, president, said that other aircraft under study include the Dash 500 long-range version of the Lockheed Tri-Star, and the two new Boeing jets, the narrow-bodied 757 and the wide-bodied 767 for short-to-medium range duties.

Mr. Meyer made his comments in New York, when announcing a $300m (over £150m) order for 13 Boeing jets — ten 727-200s and three 747 Special Performance Jumbo jets, for delivery in 1980, with options for another 30 of the 727s and six more 747s, for delivery in 1981 and 1982.

Canton Fair wooing customers

BY JOHN HOFFMANN PEKING, Oct. 18.

THE AUTUMN Canton Trade Fair, China's brief annual exposure of its manufacturing achievements, has opened without more than its usual fanfare—but it is likely to attract a different sort of attention from the 5,000 businessmen expected to attend.

This year's Canton Fair aims to do business. In the past the fair has been staged as a show-window exhibition: a place where foreigners could see Chinese produce without being importuned to buy. The trickle of foreign visitors would look at the displays of vacuum flasks, canned bamboo shoots and uninviting TV sets, pass polite judgments and depart for the more interesting markets of Hong Kong and Taipeh.

But there is an excitement about this year's fair following China's recent and sudden acknowledgement that it belongs in the 20th Century. China's development plans mean it must, however unwillingly (and that unwillingness is being hurried along with the rest of Mao Tse-tung's peasant ideology), join the sellers and profiteers of the world.

Chinese industry has been urged to improve the quality and range of consumer goods. Part of the benefits go to Chinese consumers, but the intention is obviously to enhance the appeal of China's export commodities, to sell more and to build cash reserves to pay for development imports.

There has been a renaissance in industrial design: the Chinese no longer copy, they innovate. The businessmen who attended the opening of the fair saw a range of products that China had never before put on view.

In reporting the opening, the New China news agency referred to a "significant change" in the fair's organisation—to sell what the buyers want instead of simply what is produced but not needed.

"The autumn fair will increase the business of processing for foreign customers who supply designs, raw materials or parts," said the agency.

With the introduction of Hong Kong air charter services and, next month, a Hong Kong-Canton hovercraft ferry, China has shown its appetite for customers at the Canton Fair.

Exports boost for Irish

BY STEWART DALBY DUBLIN, Oct. 18.

AFTER a bad patch in the summer, Irish exports picked up in September, rising by 16.7 per cent over the comparative month last year to £282.7m.

This contrasted with increases of only 7 per cent and 4.6 per cent in July and August, respectively, compared with the same months in 1977.

Imports, however, continued to soar ahead and with a rise of 17.7 per cent in September, meant a slight widening of the trade gap. For the first nine months of the year, the cumulative merchandise trade deficit is £650.8m.

For the year, exports at £2.15bn were 18.5 per cent higher than in the same period a year before. Imports at £2.75bn have risen by 19.5 per cent over the first nine months of 1977.

The Export Board can give no specific reason for the export rise, other than to say that July and August figures looked bad because of exceptionally good sales in the comparative months of 1977. The Board is clearly delighted, however, that exports have started to pick up again.

Sales abroad are an important element in Ireland's fast-growing economy. For the year as a whole, the Export Board has forecast a rise of 27 per cent.

Lines move to Amsterdam

By Our Own Correspondent

AMSTERDAM, Oct. 18

FOUR EUROPEAN shipping lines plan to increase the frequency of their container services to the U.S. West Coast and to move their operations from Rotterdam to Amsterdam. The decision to move has been taken because Amsterdam is a smaller and more flexible port.

The Dutch group Incotrans, the West German Hapag Lloyd and the French Compagnie Generale Maritime operate their EuroPacific service every 10 days to the west coast of the U.S. and central America. The Amsterdam-based shipping line KNSM will now join the group, which plans to operate a weekly service.

ITALIAN TRADE

Ossola seeks to ease the oil burden

BY PAUL BETTS IN ROME

SIG. RINALDO OSSOLA, the Italian Foreign Trade Minister, is on the move again. Just back from an intense tour in a small private aircraft of the United Arab Emirates and Kuwait, he is to lead a trade mission to China later this month and is scheduled to visit Morocco in December. In his two years as Foreign Trade Minister the former director general of the Bank of Italy has visited some 34 countries in an attempt to catch up the time lost in two crucial areas of Italian trade policy.

The first is the chronic lack of diplomatic initiatives in support of Italian exporters who have had to rely largely on their own devices to penetrate foreign markets, especially in the oil producing countries of the Middle East. As recently as two years ago, there were only two Italian official representatives in the area although after Sig. Ossola's latest visit an embassy is to be opened shortly at Abu Dhabi. Apart from a brief stop over by Sig. Aldo Moro, the late Christian Democrat President, Sig. Ossola's mission last week was the first by a Cabinet minister in an area on which Italy has to rely heavily for a large section of its oil imports.

The second is the serious limitation of export credit facilities compared with other industrial countries. This issue has become all the more pressing with the increasing demands of oil producing countries for export credits to finance major technological projects and imports of goods and services. Sharjah, for example, asked for a medium term facility for the construction of a $115m thermo-electric plant by the Italian GIE consortium.

Despite the traditional obstacles of Italy's chaotic public and bureaucratic life, Sig. Ossola and his restricted team of collaborators have now, if belatedly, succeeded in setting up the equivalent of an Italian Export Credits Guarantee Department, raising substantially the annual lending ceiling for medium term export credits to L3,500bn. The annual upper limit for short term export credits has also been increased to L5,000bn on a roll-over basis. By rationalising and accelerating the system of granting state insurance and guarantees, Italian foreign trade officials are now confident that exporters will soon *be able to raise money at prime rate levels.*

The recent increase in the base capital of the state medium-term credit institute, Istituto Mobiliare Italiano (IMI), from L100bn to L400bn may have gone largely unnoticed but it is nonetheless significant since IMI has traditionally been active in the field of export credit. Against this, the new ceiling on state subsidised medium-term export credits is likely to represent something of a strain on public finances as the average 7½ per cent interest rate is well below current Italian money market rates.

However, the policy is based on the fundamental role exports are playing in the Italian economy at a time when industrial production is showing only a tentative recovery after an extended recession. The Government's target, spelt out in the so-called three-year (1979-81) economic plan, is for an annual increase in export performance of about 6.5 *per cent over the next three-year* period. At the same time, the Government is not so much relying on exports to generate new employment, which exports rarely do, but to maintain and eventually enhance productivity and so protect current employment levels in those industries now largely, if not exclusively, dependent on foreign trade.

It is principally this theme that is at the core of Sig. Ossola's globe-trotting policy. The emphasis is placed heavily on those industries—both large and medium sized, public and private—operating in key sectors like petrochemicals, energy, and civil engineering in which domestic market demand is slack and indeed has little scope at this stage of expansion in Italy.

Originally, the underlying policy, worked out by the Bank of Italy, was to promote so-called "triangular" ventures with oil producing countries. In theory at least, the concept was academically viable. It involved *the recycling of petrodollars on* the simple basis that the rich surplus OPEC countries would finance major projects in poorer developing countries by buying the necessary technologies and know-how from Italy. Except for a few marginal cases, the concept has not worked out in practice.

Instead, Italy is now increasingly turning to bilateral ventures as a device to attract Arab capital to industrial groups in urgent need of fresh money. This policy already appears to have paid some dividends with the Libyans, in particular, making a number of substantial investments in Italy including, of course, the celebrated deal which saw the Libyan Arab Foreign Bank buying for some £250m the second largest shareholding in Fiat, the country's largest private enterprise. This has recently been followed up with the announcement that Saudi Arabian financial interests are to take a minority 10 per cent participation in the financially troubled Milan chemical conglomerate, Montedison.

The Montedison operation, which includes the setting up of a trading company jointly controlled by the Italian group and the Saudi interests for the promotion of commercial ventures involving oil, represents something of a breakthrough. Italy clearly intends to capitalise on this. Following Sig. Ossola's mission to the Gulf, a group of Italian bankers and industrialists is to visit the Emirates to explore similar ventures at a time of renewed international confidence in Italy due to the improvement in the balance of payments and to some extent in the country's political situation.

In this respect, Sig. Ossola's missions assume a distinctly political quality. Much of his talks with Gulf rulers dwelt on the Italian political and economic situation. At the same time, though somewhat played down by Italian officials, a not insignificant part of the talks centred on collaboration on defence, which has traditionally represented one of the main leverages for other trade deals. Interest appeared to focus particularly on those manufacturers of light armament like Aermacchi, constructors of light trainer-fighter aircraft, Oto Melara and other Italian constructors of small military vessels. Indeed, the Dubai Air Force currently has an Italian adviser and Italy is training a number of Dubai pilots.

But the more mundane business of stimulating export performance remains the mainstream of Sig. Ossolas' mission. Italy's trade deficit has been cut back during the first seven months of this year to L546bn from L1996bn during the same period last year, but this is largely the outcome of the industrial recession and to a great degree the result of the favourable foreign exchange markets. The fall of the dollar has to some extent camouflaged the decline in the competitivity of Italian exports.

This decline has been offset by the Lira's free floating rate with the Bank of Italy steering the currency on a middle road between the falling dollar and the appreciating hard European currencies. Since imports of raw materials are paid for in dollars and exports consist mainly of manufactured goods competing with those of other European countries, imports of raw materials have effectively become cheaper while exports have retained their competitivity despite the rise in labour costs.

However, this is unlikely to be a long lasting trend. Revaluation of the Lira is inevitable if and when Italy joins the new and imminent European monetary system, and the labour unions, currently negotiating a series of major three-year national contracts, are already showing signs of adopting a hard-line, despite the Governments and indeed their own leadership's appeal for moderation in wage claims.

At the same time, there is little evidence of Italy's nuclear energy programme finally taking off, leaving the country still disproportionately dependent in coming years on the Middle East oil producing countries. Indeed, oil imports represent the single biggest distortion on the country's terms of trade, which Italy has been desperately striving to offset with bilateral deals and greater export penetration of Arab markets. To this end, the Kuwaiti Trade Ministers' complaints about the poor track record of Italian exporters in his country were a source of clear concern to the Ossola mission. A leading Kuwaiti official had in fact designed a room specifically to accommodate some Italian furniture he had ordered only to find when it was delivered that it was in the wrong colour.

AMERICAN NEWS

U.S. now wants Somoza to quit

BY HUGH O'SHAUGHNESSY

THE U.S. Administration has decided that its interests in Latin America would be best served if General Anastasio Somoza, the controversial President of Nicaragua, stepped down. General Somoza is likely to be invited to abdicate soon. If he does not, Washington will use every means it can find to persuade him.

General Somoza is the third member of his family to be president, and is grooming his son, Maj. Anastasio Somoza, to succeed him. The Somoza dynasty was established when General Somoza's father, also called Anastasio, was appointed commander of the National Guard by the U.S. military administration in the early 1930s.

The moves the U.S. is considering against General Somoza include cutting off all remaining official aid, halting U.S. arms supplies, approaching General Somoza's other arms suppliers, mainly Israel and Spain, to persuade them to stop arms sales, and imposing travel restrictions on some Nicaraguans wishing to enter the U.S.

U.S. support for the Somoza Administration has been increasingly criticised in recent years. Protests from Latin America and elsewhere reached a peak in August and September, after a national uprising against the dynasty. The uprising was supported by a broad range of Nicaraguan opinion, from left to right.

U.S. officials offer two reasons to explain Washington's reluctance to move against the Government. In the first place, there was a reluctance—especially among the U.S. military—to dump Somoza, if the alternative was an active left-wing Administration in which the Marxist Sandinista guerrilla movement would have a large say. Secondly, there was the power of the pro-Somoza lobby in the U.S. General Somoza and the Nixon Government had very close relations, which U.S. officials are unwilling to explain in detail. These gave Somoza a big influence in Washington, and were augmented by Somoza's links with the anti-Castro Cuban community in Florida and elsewhere, and by his connections with right-wing political groups in the South and West of the U.S.

During the Nixon years, the U.S. Ambassador in Managua, Mr. Shelton Turner, was a close associate of the Nicaragua regime. He retained his post despite the State Department's unhappiness with many of his actions in and dispatches from Nicaragua.

However, the scale of the recent uprising, the brutality with which it was repressed, and the continual demands from moderate Latin American leaders for an end to Washington's support of Somoza have convinced President Carter that the dynasty should be given an ultimatum.

U.S. officials are now actively seeking a non-Sandinista leader who would command widespread local support while serving as a buffer against what Washington would consider excessive left-wing tendencies.

When the leader is found, President Carter is expected to offer General Somoza a package. He, his son Anastasio, his half brother Jose Somoza, head of the National Guard, and other important members of the family would leave Nicaragua in exchange for an option to move to the U.S. with much of their personal wealth.

If the General were to reject this offer, as he has said he would, Washington would have no option but to use against him every diplomatic, economic, political and military weapon the Carter Administration has, short of invasion. "We could make things highly unpleasant for him," the U.S. official said.

The International Monetary Fund is also continuing to block credits to the Somoza Administration, because the prospects for any improvement in the economy are poor.

The Fund and the U.S. Government are especially concerned at the money General Somoza is spending on arms. The money could, in their view, be better used for productive projects. After diplomatic moves by the U.S., Spain, Mexico and Venezuela, Nicaragua has been denied the executive directorship of the Fund to which its representative was expected to be elected this autumn.

Carter keeps his neutron bomb option

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Oct. 18.

PRESIDENT Jimmy Carter has approved production of a new generation of nuclear warheads which could make development of the controversial neutron bomb easier should the President ultimately decide to deploy the weapon.

Administration officials stressed today that this very technical decision does not mean that the President has made up his mind in favour of the neutron bomb.

Last April, Mr. Carter surprised and embarrassed the NATO allies by announcing that he was deferring production of the neutron bomb, the enhanced radiation warhead with minimal explosive blast but lethal and quick radiation impact on enemy personnel.

Dr. Harold Brown, Secretary of Defence, is in Brussels today conferring with members of the Nuclear Planning Group and briefing them on the President's action.

A major factor for Mr. Carter in making a final decision on the weapon will be the Russian reaction.

This reaction is not likely to be slow in coming. Next week, Mr. Cyrus Vance, the Secretary of State, will be in Moscow for what are expected to be the climactic negotiations of the Second Strategic Arms Limitation (SALT) Agreement with the Soviet Union.

If Moscow interpreted the President's action as an indication that he will eventually authorise production of the neutron bomb, it might balk at concluding a SALT pact.

If it does not, Administration officials maintain that by patently keeping the neutron bomb option open, the prospects of getting SALT ratified by the U.S. Congress will be increased, since hardline critics on Capitol Hill may be impressed by the President's determination to preserve American military capabilities.

The President's approval of the new weapon development was leaked this morning to the Washington Star, reportedly by Dr. Zbigniew Brzezinski, the President's National Security Adviser. It is not planned to make any formal announcement.

The decision involves the productio of new warheads, using fissionable high blast material, for the Lance ground-to-ground missile at present deployed in Europe, using 8 inch artillery shells. The fissionable material could easily be replaced by a neutron warhead without major design changes, officials said.

The funds for such development are contained in the new 1979 defence budget and the President's authorisation of the production o fthe new warhead thus does not require Congressional approval.

Three-state challenge to energy Bill

By David Buchan

AUSTIN, Texas, Oct. 18.

PORTIONS OF the new Carter energy Bill face a possible court challenge from the country's three big gas-producing states, Texas, Louisiana and Oklahoma.

The Attorneys-General of the three states are expected to meet in Dallas tomorrow to decide whether to file a joint suit against the Bill's provision that extends, for the first time, federal price controls to gas sold and consumed within those states.

This new challenge to the Bill reflects the fact that both Texas and Oklahoma are holding state elections next month.

Governor David Boren of Oklahoma, who is seeking re-election, and Mr. John Hill, Attorney-General of Texas, who is running for Governor of his State, have said Texas and Oklahoma will file separate suits against the federal Government if necessary.

All three states have called for an immediate end to federal price controls on gas sold to other states in the inter-state market, rather than the gradual phase-out of controls over seven years as provided in the Bill.

But, as Mr. Hill told a press conference yesterday, their chief complaint lies against the extension of price controls to the intra-state market until 1985, when all price controls are due to be lifted.

World Series: morality with the bases loaded

BY JUREK MARTIN

WASHINGTON, Oct. 18.

VICE triumphed over virtue and the decadent East overcame the mellow West last night when the New York Yankees defeated the Los Angeles Dodgers 7—2 in the sixth game of the World Series and thereby retained the Baseball championship crown.

The proud, vain, egotistical Yankees, whose intramural fighting has become legendary, showed in the end too much character for the loveable, harmonious and sweet talking Dodgers. The Yankees had even allowed the Dodgers to win the first two games of the best of seven series before sweeping, unprecedently, the next four, showing the same tenacity as they had in the regular season when they erased a huge deficit to overhaul the seemingly invincible Boston Red Sox.

They even permitted the Dodgers to take an early lead last night in Los Angeles before asserting themselves as the likely but also improbable heroes. Reggie Jackson, the controversial batter who always seems to come through in the crunch, hit a mammoth home run to clinch the victory. The winning pitcher was the venerable and once great Jim "Catfish" Hunter, bereft of fastball but full of guile, aided and abetted by the ace reliever Rich "Goose" Gossage, who literally blew out the demoralised Dodgers in the last two innings.

But the early firepower was provided by the unlikely infielding duo of Bucky Dent and Brian Doyle, who got six hits between them and drove in the first five runs. It was the light hitting short stop fielder Dent who had finally crushed Boston two weeks ago with a three run home run and who had the satisfaction of being named the series most valuable player for his consistency at the bat and in the field.

The award could have gone to any number of Yankees, including Jackson, Thurman Munson, the "grumpy catcher," "Goose" Gossage, and Graig Nettles, whose wonderful fielding at third base indisputably clinched victory for the Yankees in the critical third game when the best pitcher in baseball, Ron Guidry, was struggling desperately.

A special award should also be given to manager Bob Lemon, who took over the Yankees in the depths of their despair at midseason and set them right again. His skilful and even handed direction was sorely tested by a rash of late season injuries to key players but was not found wanting.

In the end, the Dodgers fell apart, particularly in the infield, where Messrs. Cey, Russell and Lopes emerged as veritable butchers in comparison with Nettles, Dent and Doyle, and behind the plate, where successive catchers proved they could not hold the mitt of even a sore-armed Munson.

The World Series, America's autumnal classic, is invariably held up to the nation as a political, social and economic morality play. This year's lesson is clearly that if you fight a lot, spend a lot, and talk a lot, bending the rules every now and then, you come out on top. This is a message currently being absorbed by those who run the country and who are seeking elective office.

President Carter, the noted softball pitcher from Southern Georgia, now living in Washington, is understood, according to usually reliable sources, to agree with all these conclusions, apart from the spending factor.

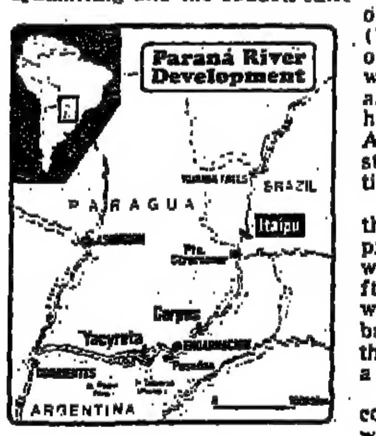
Itaipu dam project will divert Paraná

BY DIANA SMITH

RIO DE JANEIRO, Oct. 18.

ON OCTOBER 20 the Paraná river abandons its natural bed at Itaipu Falls on the Brazil-Paraguay border, and for the next two years will flow through a man-made channel at 5,000 Cubic Metres per second.

The detour is being made by 60 tonnes of dynamite demolishing two 90-ft high temporary dams built at a cost of $6m which, until the day after tomorrow, will seal off the 4,000-ft man-made channel. Once the 90-ft high water wall created by the dynamiting and the sudden shift of the river subsidies, the world's largest hydroelectric scheme, Itaipû Binacidnal, a $8.77bn venture between Brazil and Paraguay, enters its most active stage of construction.



The Parana will be made to detour to enable drying out of the 2,400-foot stretch of river bed on which Itaipu's 600-feet dam will be built, rising above the 360-foot natural falls. The river will stay off course for the next two years.

Brazilian officials have been anxious to tell the world that the "Big Bang" on October 20 makes Itaipu an irrevisible reality.

The main target of the publicity, however, is Argentina, through whose territory the Parana flows and which, from the outset, has objected to the upstream Itaipu scheme.

Argentina first feared that when the Parana was detoured navigability would be harmed. Brazil and Paraguay pointed out, however, that Argentina's river shipping could proceed normally as the Parana will still be flowing and the output of the tributaries — the rivers Iguacu and Acaray where either Brazil or Paraguay have reservoirs — will be controlled.

Argentina also objected to the height of Itaipû and the number of turbo-generators planned (18 in all, with a total capacity of 12m KW). This, in theory, would affect the hydraulic flow and performance of Corpus — a hydroelectric scheme which Argentina plans to build downstream from Itaipû in conjunction with Paraguay.

To add to the bickering over the still-theoretical Argentine project, Brazil also disagreed with the originally-proposed 360 ft height of Corpus, saying it would create an undesirable backflow. Bargaining between the two countries now stands at a figure of 315 ft.

While diplomatic wrangles continued, Brazil and Paraguay went ahead with the physical groundwork for Itaipû, and built the detour channel for the Paraná. Builders of the dam itself and the channel are a 90 per cent Brazilian, 10 per cent Paraguayan consortium, Unicon-Conempa.

No dam of similar size and potential has ever been built, anywhere, in one stage. The two largest existing schemes, Grand Coulee in the U.S. and Guri in Venezuela, were brought to their present size stage by stage.

For Brail it is vital that Itaipû's first turbine goes on stream on time—mid-1983—otherwise grave shortfalls in electricity supplies will occur in the south, where demand is rising rapidly. The last turbine will start up in 1988.

HOME NEWS

New laws planned on NEB and works democracy

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

LEGISLATION on industrial democracy and the National Enterprise Board's borrowing powers is to be included in the Government's programme for the coming Parliamentary Session. But a third Bill, to introduce new methods for ministerial control of nationalised industries, may be delayed until next year.

Cabinet Ministers are expected to finalise their views on what priorities to give the different aspects of their industrial policy next week.

The result is likely to be that the industrial democracy and NEB Bills will be included in the Queen's Speech but that the nationalised industries measure may be left out. It would then be introduced next year if sufficient time were found.

The industrial democracy legislation will be based on the White Paper published this year after last year's Bullock Report. It is intended to contain statutory obligations on companies to consult their employees on business decisions, and statutory rights for employees to claim up to a third of the seats in a board room.

However, important ministerial decisions remain to be made on how it would work, especially on whether the proposals should be based solely on trade union members or on all employees.

The plan is to introduce the Bill to Parliament early next year, but it might be delayed. It would then stand little chance of becoming law before the next election.

The NEB Bill will raise the financial borrowing limits of the board from the present £1bn to between £1.5bn and £2bn. It will be a short Bill and is expected to be introduced to Parliament within the next few weeks. It is likely to meet strong opposition from Conservative MPs.

It is needed because the NEB is nearing its present £1bn limit, laid down in the 1975 Industry Act.

Plans for the nationalised industries legislation follow a White Paper published during the summer, which in turn followed a report from the National Economic Development Office on the relationships between the industries and the Government.

The plans include powers for Ministers to give specific directions to nationalised industries on key matters of national interest. At present they can only give general directives.

Some nationalised industry chairmen object to the change, and their views were contained in a report from the Commons Select Committee on nationalised industries published this week. The Government's plan is that the industries should receive compensation for the cost of implementing the ministerial instructions where the Ministers consider it appropriate.

The Electricity Bill, whose publication has been delayed because of differences of opinion between Ministers and Liberal MPs, contains similar provisions. However, the Bill is expected to be given a low priority in the coming Parliamentary session.

Boots and Roche act against price cuts

BY SUE CAMERON

MAJOR DRUG manufacturers have started putting pressure on pharmaceutical wholesalers to prevent them ignoring or circumventing resale price maintenance.

Roche Products, UK subsidiary of the Swiss-based pharmaceutical group, and Boots have written to the wholesalers they supply insisting on adherence to resale price maintenance.

Roche has actually asked its wholesalers to confirm formally that they accept the company's terms and conditions of supply, including RPM. Yesterday, Roche said its letters included an implicit threat that wholesalers which refused to give undertakings on RPM would cease to be supplied.

Resale price maintenance enables manufacturers to insist that wholesalers and retailers charge a particular price for their products. It has been abolished for all goods except pharmaceuticals and books.

Dangerous

One of its aims is to prevent price cutting. When the drug companies won the right to continue RPM on medicines in 1970 they argued that its abolition would put many small chemist shops out of business and restrict the availability of vital drugs.

Mr. Bill Gerard, managing director of Roche Products, warned earlier this month that the corner chemist was already being threatened by "a dangerous slide towards the de facto end of RPM." He attacked "those who are now saying that RPM doesn't matter or acting as if it doesn't exist."

Yesterday Boots said it had written to its wholesalers to "insist on the maintenance of our published prices" because it was worried about the gradual erosion of RPM. It had a "duty as a drugs supplier to protect private chemists."

Sorry, no cars. Sir Terence Beckett, chairman of Ford (UK), stands before his company's empty stand.

Ford in last-ditch bid to show cars

BY KENNETH GOODING

NO FORD cars or trucks were on view at the International Motor Show preview in Birmingham yesterday. Sir Terry Beckett, Ford's chairman and managing director, said the empty stands represented "a shop window for the motor industry's biggest problem—strikes."

The company is to make a last-ditch bid to persuade unions to change their minds about allowing in cars at meetings today. It will suggest that, if no production line cars can be put on show, Ford should be allowed to bring in cars either from dealers' showrooms or even those recently sold and registered.

Dealers all over the country have been encouraged to hold "mini motor shows" to display the full Ford range. But dealers stocks are down to 15,000 cars from the normal 50,000, suggesting they will be depleted completely in about another week.

Ford says there are 20,000 cars in the pipeline either held up at ports or at the end of production lines. These could quickly be fed into the distribution system when the dispute ends.

The company said its dealers have enough spares for "routine servicing," but there are problems with supplies of major components not normally stocked in large quantities.

As for the £100,000 motor show stands, Ford could move vehicles on to them [illegible] in time for [illegible] day's opening should the unions change their attitude.

But Sir Terry made it clear that if Ford put vehicles on display in the present circumstances the motor show would have been closed by a mass walk-out.

"It is terribly sad that we, as market leaders, have been prevented from showing our products at what will undoubtedly be the British motor industry's greatest shop window for years. It gives foreign manufacturers an opportunity which they can scarcely resist." Sir Terry commented.

"I feel the unions ought to think again about their action. I feel sure that they cannot have given full consideration to the consequences, which keep us out of one of the most important international shows in the calendar and which will lose us—and Britain—valuable sales at home and abroad.

"The implications are worrying in the extreme, both from a point of company viability and, ultimately, in terms of job security for the very people this local action is intended to support. The unions are doing the British motor industry and their members no favours."

● BL Cars has launched a contract hire and leasing scheme intended for the business car user. BL with British Leyland finance, has developed a leasing maintenance scheme which will enable every BL Cars outlet to offer a contract hire and leasing package.

The company said it has a large number of franchise holders already offering this service, but because of the growth in this sector it felt it was essential to develop a scheme offering the same professional standards throughout its entire franchised network.

British Aerospace airliner wings to be made in U.S.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AEROSPACE, the nationalised aircraft manufacturer, has signed an agreement with Avco Corporation of Greenwich, Connecticut, whereby the wings for the UK's new Type 146 feeder-liner jet will be built in the U.S.

The 146 is a four-engined, short-haul airliner, the development of which was authorised earlier this year by the UK Government.

It will be built in two versions, the 146-100, seating 70 to 90 passengers, and the 146-200, 80 to 109.

Avco Corporation, through its Lycoming division, has already been awarded the contract to provide the engines (ALF-502Hs) for the 146. The wings will be built by Avco's aerostructures division, at Nashville, Tennessee.

Announcing the deal yesterday, British Aerospace said that Avco would become a "risk-sharing participant" on the 146, but declined to amplify this statement. It is understood, however, that Avco will be bearing at least part of the development cost of the wings and engines, with a share in the eventual proceeds from sales of the aircraft.

The initial British Aerospace deal with Avco is worth $15m (over £7m) and covers the supply of wing-sets for 20 aircraft, two further wing-sets for structural testing, with deliveries from late 1979. Eventual orders could be substantial, however, since British Aerospace hopes for sales of several hundred 146s world-wide.

Avco is one of the most experienced wing designers and manufacturers in the U.S. It has already built the wings for such aircraft as the Lockheed C-5A Galaxy military cargo jet and the C-141 Starlifter freighter, both for the U.S. Air Force, and is building the wings for the Lockheed TriStar.

British Aerospace's plans for the 146 envisage production of at least three aircraft a month by the early 1980s.

Councils 'could save £50m on housing'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

LOCAL AUTHORITIES might save the country at least £50m a year if they improved the efficiency of new house building schemes.

According to the Development Management Working Group, which includes representatives of local housing authorities and the Department of the Environment, the cost of conventional housing is higher in the public sector than in private housing.

Among possible reasons, the group suggests the complexity of local authority management, separation of design from construction, and the contracting methods used.

According to its report, if all authorities could reduce costs by 5 per cent, more than £50m a year might be saved.

The report adds that methods of controlling the costs of local-authority housing schemes are fragmented and suggests that the current statutory accounting arrangements are not an effective tool for financing planning.

It adds: "The control exercised by the housing cost yardstick covers only part of any scheme's total costs. The cost of items such as land, site development works, professional services and interest charges should be brought into the reckoning in an authority's assessment of whether it is getting good value for money."

The report suggests that had that approach been adopted earlier, some unpopular and expensive schemes—tower blocks and complex medium-rise, high-density developments — might not have been built.

Value for Money in Local Authority Housebuilding. DOE, Room 1107, Becket House, Lambeth Palace Road, London S.E.1, £1.40.

Shore approves Chinese Embassy rebuilding plan

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

THE PEOPLES' Republic of China has been given permission to demolish sections of Devonshire Close and Portland Place in London's West End as part of its embassy rebuilding.

After years of discussions, Mr. Peter Shore, Environment Secretary, yesterday approved plans which will involve demolition and redevelopment of Numbers 49 to 51 Portland Place and Number 37 Devonshire Close.

The 18th century buildings, which were completed in 1785 by the Adam brothers, are listed as being of special architectural or historic interest, Grade II.

Mr. Shore has directed that the existing Portland Place facade should, if possible, be retained. The work will include construction of new offices behind a rebuilt frontage in Weymouth Street.

Number 49, Portland Place, is of particular interest to the Chinese. Dr. Sun Yat-Sen, founder of the Chinese Republic, was kidnapped, held prisoner and eventually rescued from the house while a political exile in London in 1896.

£8.5m. North Sea work for William Press

BY KEVIN DONE, ENERGY CORRESPONDENT

THE WILLIAM PRESS group has been awarded contracts worth £8.5m for construction and design at three North Sea oil and gas fields.

It is to build two production units for the main platforms for Shell/Esso's Fulmar Field for £7m, and has received design, engineering and procurement contracts for work on the Statfjord and Rough Fields.

William Press Production Systems, at Wallsend, on Tyneside, will construct two production modules to handle water and gas treatment and gas compression facilities on the Fulmar platform.

Work on the modules, each weighing about 2,000 tonnes, will start at the beginning of next year and should be completed by the end of spring, 1980.

The modues form part of Shell/Esso's £500m plan to develop the Fulmar Field, 200 miles east of Dundee. The field, which has estimated recoverable reserves of about 70m tonnes of crude oil, should begin production in 1981.

William Press has a current order book for platform modules of 12,600 tonnes.

Another subsidiary, Worley Engineering, has been awarded a contract by Mobil for design, engineering and procurement of a water injection unit on the "A" platform for the Statfjord Field in the Norwegian sector of the North Sea.

Amoco has also awarded a design and engineering contract to Worley to instal gas compression facilities on the Rough Field gas platform in the southern North Sea.

Prince Charles at NEDO

PRINCE CHARLES sat in yesterday on a National Economic Development Office working party meeting in London when industrial truck problems were discussed.

Mr. Geoffrey Chandler, NEDO director-general, said: "He had certainly read his papers. We were very impressed."

Today Prince Charles will see work covered by the radio, radar and electronic capital goods strategic working party, when he visits Harlow, Ilford and Chelmsford in Essex.

Arco plans new well off Wales

By Kevin Done, Energy Correspondent

ATLANTIC RICHFIELD (Arco) is to drill a second wildcat exploration well in the Celtic Sea off the coast of Pembrokeshire.

Exploration in the Celtic Sea and Cardigan Bay has failed to produce positive results ever since Shell started drilling in the area in 1972. Up to the end of last year there had been nine dry wells.

But this autumn, exploration is picking up a little. The British Gas Corporation is drilling a well on part of its fifth round acreage, either block 107/16 or 107/21, about 15 miles off the Welsh coast. And Arco is now to drill its second well in the area.

In 1974, it drilled a well on block 106/24, but this was plugged and abandoned. No details have been given by the company, but it is thought that it found traces of gas.

The next Arco well will either be drilled in the same block or more likely in block 106/29 directly to the south. This block was awarded earlier this year *under the fifth round* of licensing in which the British National Oil Corporation was given a 51 per cent equity interest in all concessions. The well will be located 38 miles to the north-west of Pembroke and 20 miles offshore.

Arco is establishing its support base at Pembroke, and Two other blocks in this area, 106/10 and 107/11, are under offer in the present sixth round of offshore licensing, but it is unlikely that oil industry interest will be very great when applications close on November 20.

Survey finds State control unpopular

BY IVOR OWEN, PARLIAMENTARY STAFF

A SUBSTANTIAL majority of voters in five English marginal constituencies believe that any further nationalisation would not be in the national interest.

This is one of the findings of a survey conducted by Opinion Research Centre in a two-week period in last month, straddling the Prime Minister's announcement that there would be no October general election.

Just over 600 adults were questioned in five constituencies—Huddersfield West, Coventry South West, Brentford and Isleworth, Bosworth, and Rochester and Chatham.

Of those questioned, 76 per cent thought further nationalisation would not be in the national interest — a view held by 57 per cent of the Labour supporters who took part.

The centre was commissioned by 100 firms to undertake the survey, and its findings are being sifted by an ad hoc committee headed by Lord Plowden, chairman of Equity Capital for Industry.

While the main emphasis is anti-nationalisation, the survey also records a strong current of opinion in favour of moderate government and moderate policies.

Replies to the question "irrespective of which party you support, what sort of government would you like to see next time?" showed 56 per cent wanting one following middle-of-the-road policies. Other replies expressing a definite view showed 8 per cent favouring Left-wing policies, and 20 per cent favouring Right-wing policies.

APPOINTMENTS

Midland Bank changes

Mr. J. G. Harris has been appointed general manager (related services) MIDLAND BANK. Additionally, with effect from November 1, he assumes responsibility as managing director of Midland Bank Finance Corporation and has joined the boards of its main subsidiaries, Forward Trust, Midland Montagu Leasing and Griffin Factors. Mr. R. O. Barker, assistant chief general manager, Midland Bank, is retiring on October 31, when he will relinquish his directorships in Midland Bank Finance Corporation, Forward Trust, Midland Montagu Leasing, Griffin Factors, and Samuel Montagu and Co.

★

Mr. S. D. McGeorge, has been appointed director and general manager of BRITISH ENGINE INSURANCE, Manchester, from January 1.

★

Directors of MANUFACTURERS HANOVER CORPORATION and its principal subsidiary Manufacturers Hanover Trust Company have elected Mr. John F. McGillicuddy chairman and chief executive on April 1 when Mr. Gabriel Hauge retires. Mr. Hauge will continue as a director of both the trust company and the corporation after his retirement.

Mr. Harry Taylor and Mr. John R. Torell III, have been elected vice-chairman and directors of Manufacturers Hanover Trust and Manufacturers Hanover Corporation. Their election anticipates the retirement of Mr. John A. Wage, vice-chairman, at the end of this month.

Mr. Dwight G. Allen and Mr. Edward A. Farley, were elected executive vice-presidents of the trust company. Mr. Allen succeeds Mr. Taylor as head of the international division, and Mr. Farley succeeds Mr. Torell as the head of the metropolitan division. Both had been senior vice-presidents and deputy general managers. They were also elected to the trust company's general administrative board, its senior internal policy making group.

Mr. Donald G. McCouch, and Mr. Donald H. McCree, senior vice-presidents, were elected deputy general managers of the international division. Mr. W. Trevor Robinson who last summer assumed Mr. McCree's responsibilities for the bank in London was elected senior vice-president of the trust company.

★

Lord Croham has joined the board of PILKINGTON BROTHERS as a non-executive director. He was formerly Sir Douglas Allen, head of the Home Civil Service and permanent secretary, Civil Service Department.

★

Schroder, Darling and Company Holdings has announced in Sydney that Mr. B. V. Strickland, a director of J. Henry Schroder Wagg, has been appointed, with effect from December 1, a director and chief executive of SCHRODER, DARLING AND COMPANY HOLDINGS and deputy chairman and chief executive of Schroder, Darling and Company.

Schroder, Darling, of which Schroders is the principal shareholder and whose other shareholders are The Bank of Nova Scotia, Oversea-Chinese Banking Corporation and The Bank of New South Wales, is an Australian merchant bank based principally in Sydney and Melbourne. While he is in Australia, Mr. Strickland will remain a director of Schroder Wagg.

★

THE FRAZER-NASH GROUP has appointed Mr. Michael Shortland, as *managing director* of Frazer-Nash in succession to Mr. A. R. Lewis. Mr. Shortland joined the company from E.R.A., Leatherhead, where he was a director and manager of the computers and automation division.

Trade Department 'erred over Eleni V collision'

BY IAN HARGREAVES

The Department of Trade was guilty of significant delays and other failures in its handling of the Eleni V oil tanker incident off the East Anglia coast last May, according to a report by a Commons Select Committee yesterday.

It says the 21 days allowed to elapse between the tanker's collision with a French ship, when the tanker was sliced in two, and the decision to blow up its remains was longer than necessary and demonstrated a lack of urgency about finding an effective solution.

The MPs who produced the the report also point to a number of other failures in the procedure adopted, such as failing to check in advance the conditions of sandbanks on which the hulk was re-grounded, lapses of communication between the different authorities involved in the action and lack of proper information about the type of oil involved in the spill.

Another general criticism made in the report is the arbitrary division of responsibility between the respective authorities, with local authorities responsible for fighting oil slicks up to one mile from the coast and the Department of Trade responsible beyond the one-mile limit.

This, says the MPs, is "an unnecessary complication." Full responsibility should be placed with the Department, while allowing the local authorities continuing freedom to tackle minor incidents independently.

The Department is also criticised for failing to organise the availability of pollution-fighting equipment for the councils' use.

On a wider theme, the report says the Department of Trade's contingency plan, which would *enable it to deal effectively* with a spill of only 6,000 tons of oil spilled in the Channel, "bears no relation to the likely size of any oil pollution incident and leaves the South Coast virtually unprotected."

The MPs agree that if the Eleni V had spilled more than the 4,000 tons of oil actually lost, the local authorities' resources would have been overwhelmed.

This situation would have been improved, the report argues, if there were more effective arrangements to pass equipment and resources between different local authorities during an incident.

Serious shortcomings are also described in the Department's preparedness for spillage of heavy fuel oil rather than crude oil. Fuel oil of the type carried by Eleni V poses special problems because it solidifies on contact with water.

The Government's Warren Springs Research Laboratory had done no research on this type of oil before the collision in spite of the fact that 7 to 10 per cent of all oil carried around British coasts is of this type.

Analysis

The committee's analysis of the incident is designed to produce detailed evidence for the general criticisms and recommendations made. The main events, together with the committee's comments, were:

May 6: Eleni V, 3,000 tons, cut in two by French bulk carrier in thick fog six miles off the coast near Happisburgh, Norfolk. The Department took "some time" to bring in a full complement of spraying vessels, during which time most of the coastal pollution occured. Spraying was stepped up but at this stage was having virtually no effect."

Choice of the spraying technique, appropriate to crude oil, "may have been counter-productive" for heavy fuel oil. Samples of oil were not analysed by Warren Springs Laboratory until May 9.

May 7: After-end of vessel towed off to Rotterdam where oil was salvaged.

May 8: After being towed out to sea to avoid the danger of its sinking on to gas pipelines, the forward end of the ship was towed back to Corton Sands. It took one week to secure a line on the tug, increase the hulk's buoyancy and carry out an underwater survey.

May 16: The Department put four options to local authorities, having asked a Dutch salvage company to pump out the oil. The other preferred option was to tow the hulk out to sea and sink it.

May 22: Wreck grounded on Holm Sands, but location was unsuitable due to current.

May 24: Decided to put wreck on Dunwich Bank, but test showed that this was not firm enough and it was put back on Corton Sand. Pumping option abandoned through lack of suitable site.

May 31: Wreck towed 26 miles to sea and blown up. No further oil came ashore.

The committee concluded:

● It was disturbing that crucial gas pipelines would be susceptible to damage from the sinking of such a small ship.

● Time was lost in early stages because adequate ship plans were not available and divers were found to be working directly over a full fuel tank.

● It took from May 15 to 20 to negotiate a contract for the oil-pumping option. This part of the operation should have been done "far more expeditiously."

This period, the report says, illustrates a general fault in the Department's handling of the affair: that in selecting an option, officials "appeared to make no reserve plans," so that when an option failed they had to think again from scratch.

● On May 16, it ruled out dry-docking the vessel on the grounds that its 45-foot draft was too great for any available dock. In fact, there was a 51-foot dock at Southampton.

● There was bad planning over the choice of sandbanks for grounding the ship.

● There was "inadequate consideration" of the option, favoured at an early stage by some local authorities, of blowing up the ship.

● The Department's consultations with local authorities were not always as frank as they should have been.

The committee recommends that the Department investigates speeding up its procedures in emergencies of this kind.

** Fourth report from select committee on science and technology: Eleni V. SO £2.75. Commons paper 684.*

Lewis painting makes record £44,000

SALEROOM

BY ANTONY THORNCROFT

AN AUCTION record price for a painting by John Frederick Lewis was paid at Sotherby's yesterday. "Cairo—a street scene near the Bab el Luk" sold for £44,000, over double the pre-sale forecast and well above the previous record of £25,000 paid in 1977. His views of the Middle East have come into favour in recent years with the arrival of oil rich Arab buyers.

Another oriental scene, "The flower seller" by Rudolph Ernst, sold for £18,000, while a "View of a southern Italian port" by Franz Unterberger went for £5,500. "A young woman with her children" by Philippe Sadee, "A huntsman with his hounds" by Alexander Kowalski and "Preparing the bride for the wedding" by Mihaly Munkacsy, all sold for £5,200 each. The sale of European pictures and works of Islamic interest totalled £343,695.

In a sale at Phillip's, Marylebone, of Staffordshire pot lids and fairings, a pot lid entitled "Our home" sold for an auction record of £2,600 to the dealer, Richard Cashmore.

There was keen bidding from dealers at Bonham's first auction of decorative arts (1870-1940) yesterday. The top price was the £1,000 for a Rozenberg eggshell porcelain bottle vase of 1904.

At Glendining, a two day coin sale totalled £96,216 with top prices of £1,800 from Graham for a U.S.$50 of 1852 and £1,400 from Spink for a couple of gold coins from Japan dated 1716 and 1860.

A sale of modern sporting guns and vintage firearms at Christie's yesterday made £148,171. The top price £11,500, was paid by Roberts, the London dealer, for a little-used pair of 12-bore sidelock ejector guns by J. Purdey, built in 1950.

هكذا من الأصل

Grants and Incentives

The whole of Wales is an assisted area. Which means that by moving or expanding into Wales you could benefit from the wide range of Government incentives available.

Wales also has the advantage of being the closest assisted area to London and the Midlands and is therefore very close to 250 million Community customers. So you won't lose tabs on important markets by moving.

Investment Services

In addition, we at the Welsh Development Agency can provide finance in the form of loans and/or equity capital to help you establish in Wales.

Factories

We have a wide range of fully serviced factories ready for immediate occupation throughout Wales.

Ranging from 1500 sq. ft. to 50,000 sq. ft.

They are let at competitive rents and in certain areas there are rent free concessions.

Or, if you prefer we can build a factory to your requirements.

Communications

Getting to and from Wales has never been easier.

Rail links serve all parts of Wales, connecting with the North, the Midlands and the South East. The Inter-City 125 passenger service has shortened the journey from Cardiff to London to under 2 hours. Fast streamlined transit is provided by Freightliner services, while Speedlink offers an overnight freight service to most parts of Britain and Europe.

Much is being done to upgrade and improve the roads throughout Wales. The M4 reaches into South West Wales providing a direct route for the passage of goods to the London area and the Midlands.

Cardiff Wales Airport is now the regional airport of the South West. And, having the benefit of the interport removal centre, fast and efficient through movement of goods is ensured.

Well-equipped Welsh ports handle a large percentage of Britain's imports and exports.

Companies already in Wales

Perhaps the best incentive of all for moving to Wales is the experience of the companies who have made the move already.

Remember for instance the huge expansion plans of Ford and Hoover currently under way.

Many other companies have also found that moving to Wales has proved successful. So you certainly won't be alone in deciding on Wales.

Advice

We can advise you on the many Government incentives available.

We can advise you how best to set about meeting your workforce needs.

We can advise you on the areas that will suit you best in terms of availability of factories and closeness to markets.

And if you'd like to know more about the advantages of Wales, take our advice: post the coupon.

Welsh Development Agency

To: The Welsh Development Agency, Treforest Industrial Estate, Pontypridd, Mid Glamorgan CF37 5UT. Tel: Treforest (044 385) 2666. Telex: 497516.

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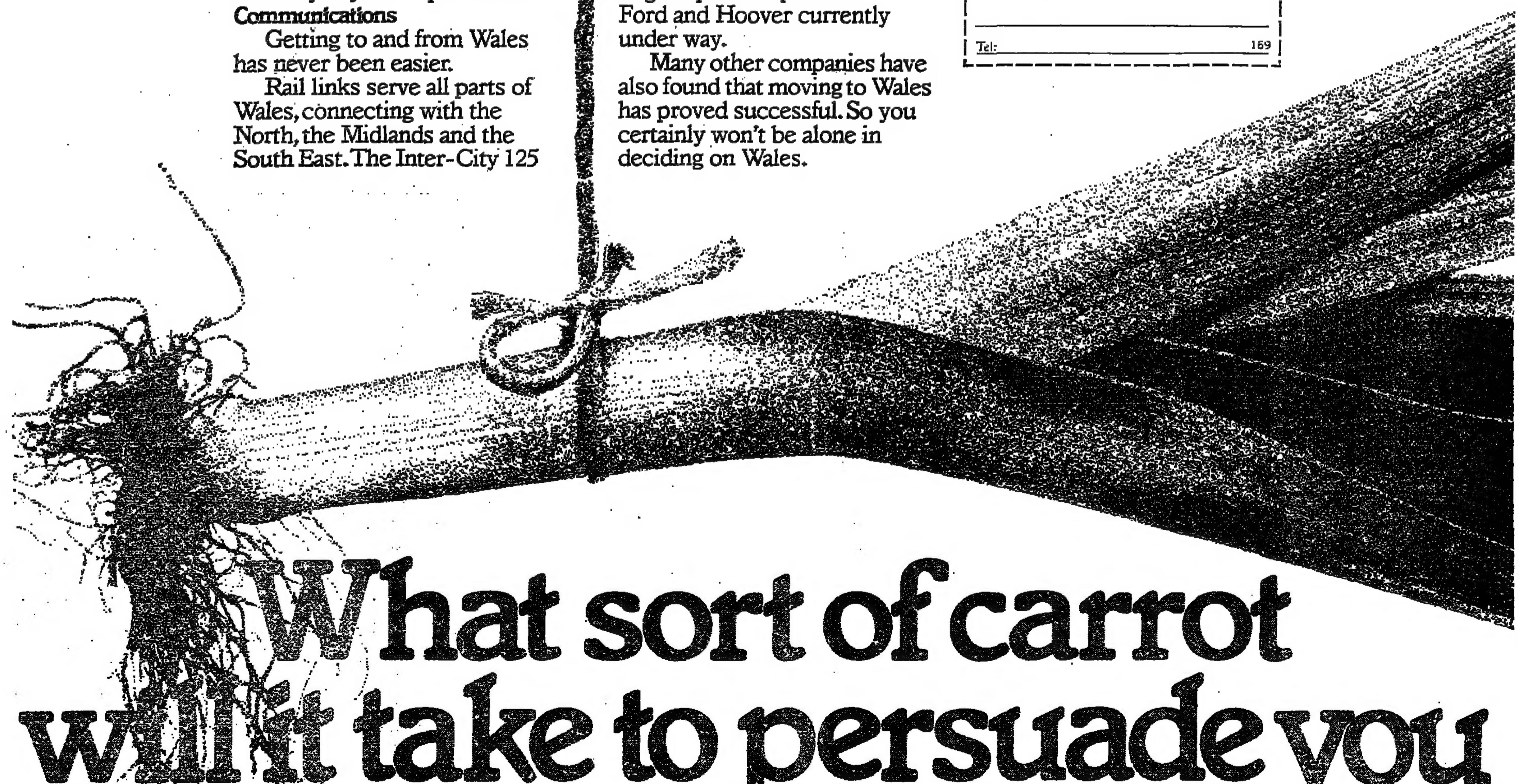

What sort of carrot will it take to persuade you to move to Wales?

HOME NEWS

Trade practice laws 'hampering industry'

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

BRITAIN'S FOOD and drink manufacturers have told a Whitehall committee that the law on restrictive trade practices "is outdated." They say "it conflicts with the need to revitalise UK industry and make it internationally competitive."

The manufacturers also believe that "innovation may be deterred and even the manufacture of products abandoned" because of fears over the rigid application of restrictive trade practices legislation.

The Food and Drink Industries Council, representing more than a tenth of UK manufacturing output, argues that where the law conflicts with the industry needs to improve efficiency "the nation's economic performance must come first."

The council's evidence to the Whitehall committee headed by Mr Hans Liesner, a Government economic advisor, is one of the strongest published so far in favour of giving industrial strategy predominance over competition policy. The Liesner committee is expected to publish a discussion document on reforming restrictive practice law early next year to follow last May's document on monopolies and merger policy.

In its evidence the council says the philosophy which governs the law—that cooperation between companies is generally against the public interest — does not conform to the country's needs. It argues that competition policy must be relaxed to take into account such issues as the value of economies of scale, management expertise, research and development, and the international position.

The council says the industry hesitates to take action to improve efficiency if this is likely to bring it into conflict with the restrictive practices legislation.

The Dairy Trade Federation, for example, has for some time wanted to recommend its members to use cartons instead of bottles for shop deliveries because this would reduce costs. But the Office of Fair Trading has told the Federation that this would infringe the law.

The council says the industry is sometimes reluctant to develop codes of practice to improve the quality of production because they have to be registered and are then scrutinised by people "who may not have a full understanding of the issues."

But it acknowledges there are some cases in which legislation is needed "to prevent collusion which is generally recognised as being against the nation's interest."

Retailers to fight Sunday trading bid

BY COLLEEN TOOMEY

A CAMPAIGN to prevent an extension of Sunday trading becoming law is being launched by the National Chamber of Trade.

The draft Sunday Trading Bill will be introduced in the House of Lords in the next Parliamentary session by the Institute of Shops, Health and Safety Acts Administration, which hopes to see it become law by the end of this year.

The Bill proposes to extend all food outlets' trading hours to all day on Sundays, and to allow retailers at resorts to open all year round instead of on the present 18 Sundays a year.

Mr. Leslie Seeney, director-general of the National Chamber of Trade, has asked all retailers to make strong protests to local authorities and Members of Parliament. The NCT represents about 250,000 shopkeepers.

If the Bill is made law it will "open the floodgates to a major extension of Sunday trading," he said. Competition would force food retailers to open on Sundays. They would have to pay employees more, and the cost would place more pressure on retailers' squeezed profit margins. Many small retailers could be forced out of business, he said.

Consumers would suffer from Sunday trading laws extensions by the extra costs being passed on through prices, Mr. Seeney claimed. He said the NCT's experience suggested that the majority of its members want nothing to do with any large-scale extension of Sunday trading. "And I believe the same view is held by the trade unions representing the distributive trades workforce," he added.

Unions and shopkeepers would be lobbying MPs, and further talks would be held soon with the Institute of Shops, Health and Safety Acts Administration. The association represents local government officers who want local authorities to be given power to authorise Sunday trading in their areas.

The NCT wants the institute to seek to limit food sales (other than butchers' meat, which is subject to special restrictions) to lunchtimes on Sundays instead of throughout the day. It also wants the Bill confined to resort areas.

Industrial benefits review

By Eric Short

A REVIEW of compensation for employees affected by occupational diseases has been launched by Mr. David Ennals, Secretary of State for Social Services.

He has asked the Industrial Injuries Advisory Council if changes should be made in the terms of prescribed industrial diseases and if industrial injuries benefits should be made available to any individual who could show that his disease is occupational in origin and a particular risk of his occupation.

The review has been triggered by the recommendations of the Royal Commission on Civil Liability and Compensation for Personal Injury whose chairman was Lord Pearson. The report of this commission basically recommended that the no fault system in the social security operation should be extended. Under such a system, a claim would be allowed irrespective of whether the claimant was at fault or not.

Prescribed

Under the present system of claiming for industrial injury benefit because of an occupational disease, the claimant can only apply if the disease concerned is on the schedule of prescribed diseases. This schedule was last reviewed more than 20 years ago and prescribes 47 different diseases, including injuries not caused by accident, and the occupations to which they apply.

A disease may be prescribed if it can be regarded as a risk of occupation and not a risk common to everyone. In claims, the occupational link has to be established or presumed with reasonable certainty.

The council, an independent statutory body advising on the industrial injuries scheme, is seeking views on changing the present system of claims so as to extend eligibility and to simplify the procedure, moving on to an individual proof method of operation. It would also welcome evidence on any disease or occupation not listed.

School-fee payers feel the pinch

BY ERIC SHORT

MORE THAN 80 per cent of families using private education are making sacrifices to cope with school fees. This was one of the main conclusions reached in a survey undertaken by C. Howard and Partners, a specialist in school fee planning.

A random selection of 300 clients of C. Howard was designed to show not only the extent to which private education is imposing a financial burden, but also to provide the first-ever profile of the modern fee-paying parents, and to find out why they used private education.

The survey concentrated on the three basic sources available for paying fees—income, available capital and help from other members of the family and friends. The survey found that parents tried to provide school fees out of income and many had no other option.

The average gross family income of the families surveyed was £12,956, and in two out of five families, the wives contributed to the income by working, but the average contribution was only £2,600. Three-quarters of the wives who were working did so for the specific purpose of helping to pay school fees.

The capital available to help meet fees varied considerably. One in five of the clients surveyed had capital sums in excess of £50,000, although this figure included family businesses and farm holdings. But 38 per cent had less than £10,000 and a further 14 per cent had no capital at all. The family house was excluded in assessing available capital.

Nearly half the families—42 per cent—expected financial help from outside sources, the main help coming from grandparents in 85 per cent of cases. The average level of help was £730 per annum, plus lump sum payments averaging £952.

In order to cope with fees, 82.6 per cent of families were reducing expenditure, primarily by cutting down on holidays, entertainment, home improvements clothing and cars. Two in five families were trying to increase their income, not only by the wife going back to work, but by the husband taking on free-lance work and the family taking in lodgers.

Nearly half those involved in the survey had seriously considered using the state educational system for their children. It had been rejected for a variety of reasons, the main ones cited being a higher standard of education provided privately, better discipline, and a dislike of trendy experiments in social engineering and Left-wing political indoctrination.

Director bailed on exchange control charges

By Our Own Correspondent

A COMPANY DIRECTOR was placed on £40,000 bail yesterday after he and one of his companies were charged with 10 offences under the Exchange Control Act.

He is Mr. Charles Graham-Watson, aged 47, of St. Martin's, Guernsey. He surrendered his passport, agreed not to leave the island or communicate with witnesses, and must report daily to police.

Seven of the alleged offences, which date from 1969, relate to the Reliance Corporation of Liberia and involve sums in U.S. dollars, sterling and Swiss francs totalling about £30,000.

One of the charges relates to Calais and Partners, of Guernsey, of which Mr. Graham-Watson is a director, and three charges allege making false statements contrary to the Act.

Mr. G. de Vic Carey, HM Comptroller, told Guernsey magistrates that the charges were serious. He sought the court's approval for his conditions for a remand out of custody pending Mr. Graham-Watson's appearance before Guernsey Royal Court.

Stopping bus grants 'would increase fares'

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

BIG INCREASES in bus fares and a heavy cut in the British bus manufacturing industry will occur if the Government implemented its plans to phase out grants paid towards the cost of new buses.

This is the view of the Society of Motor Manufacturers and Traders and the Confederation of British Road Passenger Transport, which represents bus and coach opeartors, in a paper submitted to Ministers.

According to existing Government commitments, the 50 per cent grant payable on buses bought for stage-carriage services will be phased out between 1980 and 1985.

The industry, which claims widespread support from local authorities, says its effect will be to dislocate bus services and the bus manufacturing industry.

Cutting the grant, which will total £57m. in the current financial year, would reduce double-deck bus demand to between 1,300 and 1,600 units a year—*only half* the industry's manufacturing capacity.

In these circumstances, plant closures and redundancies would follow, especially on the body-building side.

The paper says that the grants, since their introduction in 1968, have helped to even out the bus demand cycle and permit the development of a rationalised bus manufacturing industry rather than the fragmented, cottage industry before that date. This had helped British bus manufacturers to penetrate export markets.

They had also encouraged a higher degree of uniformity of specification from customers and had acted as a non-tariff barrier to keep out imports.

Removing the grant would destroy the "major stabilising feature" in the industry over which the Government had control and was contrary to its stated planning and industrial objectives.

The bus operators say that ending the grants would lead to pressure for higher fares and reduced services, although the financial deficits involved would have to be covered in some way, ultimately out of public money.

Also, there was still a need *to modernise bus fleets,* as public spending constraints had impeded the working of the grant in this respect. The average age of the National Bus Company's fleet had in fact increased in the last eight years.

Duty-free shop idea rejected

THE GOVERNMENT has rejected pressure for a duty-free shop to be established at Cardiff-Wales airport.

Although designated a regional airport for the south-west earlier this year, the Exchequer Office says Cardiff does not meet the criterion, used by Customs and Excise of 20,000 foreign and Commonwealth passengers departing for destinations abroad each year.

Welsh Agency loans at £1m

THE WELSH Development Agency's aid for small businesses has reached £1m with a £25,000 loan to Mr. John Morris, a boat-builder in Pwllheli.

The agency has also given loans to a Neath man using a machine which cuts the cost of stone fireplaces, and to a Denbigh woman starting a cake and confectionery business.

Post Office decides on its first two System X exchanges

BY JOHN LLOYD

THE POST OFFICE has given approval for the manufacture and supply of the first two System X electronic exchanges to come into service in the UK. Both wil lenter the system in 1981.

The orders are for a small, 930-line exchange at Woodbridge in Suffolk, an da junction tandem exchange at Baynards House, in the City of London. A junction tandem exchange handles traffic between local exchanges.

It is understood that the contracts will be announced later this year or early next. No details on the value of the contracts are available.

t is thought likely that these first orders will be placed with General Electric (GEC) and with Plessey, which are presently handling the bulk of the System X development.

The third major telecommunications supplier, Standard Telephone and Cable, now has a large share of the semi-electronic TXE4 work.

Mason urges Ulster politicians to unite

BY OUR OWN CORRESPONDENT

MR. ROY MASON, the Secretary of State for Northern Ireland, said yesterday that the province's politicians ought to make more effort towards finding a way of setting up a consensus Government.

Failure to do this, he said, would mean banishing themselves to a political wilderness.

In a speech to the Belfast Chamber of Commerce, Mr. Mason said: "I believe the politicians have a duty to come together, be prepared to agree to differ on long-term aspirations, and be determined to build for the present on the wide areas of common interest." Talking about the politics of Northern Ireland in public is a relatively new tack for Mr. Mason. In his two years as Secretary of State, he has concentrated on security and economic aspects of the province.

He has dusted off a year-old blueprint calling for a 78-member non-legislative assembly, which would consider proposals put up by a number of committees. The committees would be put together on the basis of proportional representation, to ensure the Loyalists did not dominate the minority Catholics.

Building societies defend their role

BY MICHAEL CASSELL

THE Building Societies Association has denied suggestions from certain banks and some politicians that building societies' success in attracting funds has been a reason for low industrial investment and economic growth in Britain.

The association has published all the evidence submitted by building societies last month to the Wilson Committee, which is examining the functioning of financial institutions. The evidence contains a stout defence of the societies' role as financial intermediaries.

The association rejects suggestions that funds available for investment find their way into housing through building societies rather than into industry through the banks. It points out that funds deposited with the banks are not automatically channelled into industry and that only a fifth of bank lending is to manufacturing industry.

More significantly, the association says, evidence shows that industry has not been short of capital but that companies have exhibited little demand for capital.

The building societies point out that the Wilson Committee has evidence that industry is suffering from low profitability, allied to low demand for its products in relation to use of capacity. The remedy for industry, they say, appears to lie "in an improvement in the macro-economic environment in which they work."

The evidence repeats the societies' determination not to see the removal of its composite rate tax arrangements, which the banks have described as an unfair competitive advantage. The societies point out that they face all types of competition for their funds, from the banks, and from the Government in the form of national savings certificates, low coupon gilts and the SAYE index-linked scheme.

Only morons would confuse Stars—judge

THERE IS no chance of the new newspaper the Daily Star being confused with the Communist Morning Star, a High Court judge said yesterday.

"The two papers are so different in every way that only a moron in a hurry would be misled," declared Mr. Justice Foster.

He was giving reasons for his refusal on Friday to grant the Morning Star Co-operative Society a temporary injunction stopping Express Newspapers using the "Star" title for their new paper due to appear in the North East and North Midlands on November 2.

The Morning Star claimed that its circulation would be damaged by the confusion caused to readers by the new title.

"The Morning Star is a Left-wing political paper catering for the members of the Communist Party and for those of the far Left," the judge said. "The Daily Star has been described as a 'popular, lively exciting newspaper.' Most of its front page will consist of startlingly large headlines and within will be pictures of nearly nude models."

Also, a Morning Star reader, used to paying 12p for his paper, would be staggered if asked for only 8p—the price of the Daily Star.

If the new daily had to change its name now it would suffer heavy loss and even if the Morning Star had an arguable case he would not have granted them an injunction because of the certainty of unquantifiable damage to Express Newspapers, the judge said.

After yesterday's hearing, Mr. Christopher Myant, assistant editor of the Morning Star, said that an appeal would be considered.

Makers urge motorists to buy British spares

BY OUR MOTOR INDUSTRY CORRESPONDENT

TEN BIG components groups have formed the British Automotive Parts Promotion Council which aims to persuade motorists and other vehicle owners to buy British spare parts.

Components imported to Britain during the first six months of this year were up 30 per cent from £350m in the same period last year to £456m and are expected to rise further.

The increase has been caused by the rising number of foreign vehicle imports—they consistently have been taking half the new vehicle market this year—and importers' franchise arrangements.

This is making trade more difficult for British manufacturers.

Yet the council claims: "British component manufacturers can supply spares for just about every imported vehicle."

The council said: "One of the jobs we have to do is to destroy the mystique which surrounds the servicing of imported vehicles. In most cases servicing is simple and well within the capability of the independent or non-franchised garage."

Mr. Monty Good, joint managing director of Ferodo, and chairman of the council, commented: "The UK components industry provides work for several hundred thousand skilled people and we intend to fight to ensure that we maintain and improve our markets."

Trustees surplus of £146,000

THE PUBLIC TRUSTEE'S office made a surplus of £146,000 last year compared to £432,000 the previous year.

The latest figures, announced in the Public Trustee's annual report, take the office's accumulated reserves to £871,000, more than half of which was built up in the last six years.

The office, whose main function is to provide the public with an independent executorship and trusteeship service, is planning to run down its reserves by budgeting for deficits in the next few years.

Mr. Bert Creamer, the Public Trustee, reports that the office is stepping up promotion efforts to stem the decline in the volume of its business.

Total funds under management rose last year by £15m to £243m.

The number of trusts the office looks after has dropped sharply since the Second World War.

LABOUR NEWS

Car unions will monitor Peugeot-Citroen promises

BY ALAN PIKE, LABOUR CORRESPONDENT

Mr. Grenville Hawley (right) of the TWWU and M. Bernard Poirier of the Federation Generale de la Meallurgie, at Transport House yesterday.

CAR UNION leaders from several countries yesterday decided to set up an international council to "monitor vigilantly actions and promises" made by Peugeot-Citroen about its takeover of Chrysler's European operations.

The decision was reached at a meeting in London of the International Metalworkers' Federation attended by union officials representing Chrysler and Peugeot-Citroen workers in Britain, France, Spain and Belgium.

Peugeot-Citroen has given assurances that it proposes no plant closures or redundancies in Britain at present.

But Mr. Grenville Hawley, national automotive secretary of the Transport and General Workers' Union, said that the unions would be "naive" if they did not recognise that there would be a "further assessment" of the British position now that the Government had approved the takeover.

The unions are anxious to ensure that there will be no reduction in engine production in Coventry when the Peugeot-Citroen takeover of Chrysler UK becomes fully effective.

M. Bernerd Poirier, a representative of the French Federation Generale de la Metallurgie, said that the unions believed Peugeot-Citroen had sufficient engine production capacity in France to meet all its needs, including those of Chrysler UK.

The French unions had to ensure that work in Britain was preserved in terms of both quantity and quality.

The conference declared that it was encouraged by the generally positive results from meetings between the British Government and unions and the Peugeot-Citroen and Chrysler managements.

The International Metalworkers' Federation wants to make trade union contacts between the countries affected by the Peugeot-Citroen-Chrysler deal strong enough to influence the activities of the new company.

Mr. Herman Rebhan, general secretary, said that the federation was aware that its strength was greater in some parts of the new company than others. In France, for instance, where company unionism had been established in the Peugeot-Citroen factories, the federation unions were weak and legislation was poor. "We are going to use our strength in certain countries to try to compensate for weaknesses in others," he said.

Vauxhall plant votes today on strike

By Philip Bassett, Labour Staff

ASSEMBLY WORKERS at Vauxhall's Ellesmere Port plant, members of the Transport and General Workers' Union, are expected at a mass meeting today to back a call from union negotiators for an all-out strike over pay.

Mr. Bob Price, managing director, made it clear yesterday that though the company considered its offer a good one, there was room for increasing it. The offer rejected by the unions gives increases of between 4.2 and 4.8 per cent.

More than 350 shop stewards at the company's Luton plant yesterday supported the14-day notice to strike put to the company earlier this week after it refused to increase its pay offer to its 26,000 manual workers.

The Luton shop stewards will meet again today to decide when to hold a mass meeting on the offer. Shop stewards at the company's other major plant at Dunstable will also meet today, and are expected to recommend the strike call to a mass meeting on Monday.

Support for the strike call at Ellesmere Port would be a further blow to the Government's hopes of making its five per cent pay policy stick.

Mr. Price said at the International Motor Show at Birmingham that until the breakdown this week the negotiations had been "reasonable and logical." He said: "We are still interested in increasing our offer."

He was optimistic that goodwill on the shopfloor would manifest itself at the mass meetings. A strike would put at risk the company's ability to capitalise now and in the early months of next year on a "tremendous volume opportunity."

It would have a knock-on effect into next year when production normally built up for the spring selling season.

The company at pay talks earlier this week offered a productivity deal with rises of up to £14 a week, but union officials are wary that its payments would be interrupted if shortages occur, and want increases in the pay element of the offer before they discuss productivity.

New Renold talks to end 4-week stoppage

BY PAULINE CLARK, LABOUR STAFF

AN AGREEMENT which could have wide implications for wage negotiations throughout the engineering industry was being sought yesterday in fresh talks between management and unions in the four-week-old pay strike at Renold's power transmissions factory in Coventry.

Already at this early stage in the present wage round, there are many companies in the industry facing official disputes over pay policy.

Renold, however, is believed to be the first to be hit by a major strike over the Government's insistence that a national engineering agreement reached last April boosting earnings by 1½ per cent should be costed against the 5 per cent pay guidelines.

Problems

Elsewhere, there are indications that the industry's special problems are leading engineering workers to delay pay settlements.

The Engineering Employers' Federation which represents 6,000 companies said yesterday that from August to mid-October, only 80 of its member companies had settled, compared with 209 in the same period last year. The number of employees involved was 20,377 compared with 67,946 previously.

Union officials in the Amalgamated Union of Engineering Workers, which has consistently opposed the 5 per cent policy, and Renold management representatives met for the first time since the strike began at the invitation of the Advisory Conciliation and Arbitration Service.

The company said yesterday that the Coventry strikers represented less than 10 per cent of its total workforce and that most of its other factories were not due to start pay negotiations until next spring.

Meanwhile, the impact of the strike was reduced by the fact that Ford, whose workforce is on strike over pay, is a major buyer of the Coventry power and transmission systems.

Fleet Street 'anarchy' attacked by Marsh

BY OUR LABOUR STAFF

SIR RICHARD MARSH, chairman of the Newspaper Publishers' Association, yesterday launched a fresh attack on industrial "anarchy" in Fleet Street only hours after a peace formula was agreed between union leaders and management in the Daily Telegraph dispute.

The agreement will be discussed with the paper's National Graphical Association chapel this morning. It is hoped that a return to work by printers will be agreed in time for London editions to be produced on Friday for the first time in nearly a fortnight.

In a radio interview, Sir Richard blamed old-style Press barons for Fleet Street's troubles. He said they had encouraged unions to believe that national newspapers were a "bottomless bucket of money."

Sir Richard added: "As far as Fleet Street is concerned, there is total anarchy. There are stoppages virtually every night. Management and unions are not in control. Nobody is."

In the past, newspapers owned by individuals had been very profitable. "These men wanted the paper out and could afford to hand out the money," he declared.

It was after the Daily Telegraph gave a warning that the strike by its printers was in danger of leading the paper to bankruptcy that union leaders and management reached agreement with the help of the TUC.

Management declined yesterday to disclose details of the agreement but said that it would set a pattern for future discussions in disputes.

Mulley orders special review for forces

By Michael Donne, Aerospace Correspondent

MR. FRED MULLEY, Secretary for Defence, has set up a study group within his Ministry to look at the problems of forces' pay and service conditions.

The study will not pre-empt the work of the independent Armed Forces Pay Review Body, which recommends on a biennial basis the precise pay rises the forces should receive. This body will continue its activities but the new study group is intended to discover where there are areas of most dissatisfaction with pay.

Banking staff unity move

PROSPECTS of a merger between the Bank of England Staff Association and the National Union of Bank Employees strengthened yesterday when the association's central committee authorised further exploratory talks with the union.

The Association has approached the TUC about affiliation, but Mr. Len Murray, general secretary, has said that the General Council would be likely to advise it to seek affiliation with an appropriate TUC union.

Pay plea for milkmen

BY CHRISTOPHER PARKES

THE GOVERNMENT will have to relax its 5 per cent pay rise ceiling for Britain's 50,000 milk roundsmen if erosion of the tradition of doorstep deliveries is to be avoided, Mr. Ben Davies, president of the Dairy Trade Federation, said in London yesterday.

Low pay was driving staff away and the resulting cuts in deliveries presented a far greater danger to the milk industry than anything the EEC had threatened, he said, alluding to the British campaign this year to preserve the Milk Marketing Boards.

Cadbury draughtsmen strike

WHITE COLLAR workers at a chocolate factory are on strike after two men were disciplined for buying a bar of chocolate in working hours.

The strike by 50 draughtsmen at Cadbury's Bournville plant in Birmingham, has been made official by the Technical and Supervisory Section of the engineering workers' union.

"This is a clear case of victimising accredited union representatives," said TASS divisional organiser Mr. Bob Parsons. "Another employee bought his chocolate bar at the same time with impuity."

The company said staff knew that only managers were allowed to buy chocolate from the factory shop during working hours. But he denied the chocolate bar row was the cause of the strike.

The company said the main cause of the dispute was an allegation by the draughtsmen that a manager at the plant was incompetent. The claim was rejected by management.

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In addition to a sound professional training, applicants should have experience of either management of sizeable public company audits or control of a management accounting unit in industry. An ideal candidate might also have experience of writing and publication on technical accounting, auditing or legal topics, or of preparation and presentation of training courses or seminars.

Attractive benefits available with the post include a contributory pension scheme and the use of a firm's car.

Please send a comprehensive career résumé, including salary history to:

P. M. L. Mann.
Touche Ross & Co.,
3 London Wall Buildings,
London, EC2M 5PH

INTER-ALPHA ASIA

General Manager (DESIGNATE)

BANKING – SINGAPORE

This is a challenging opportunity in merchant banking with an international consortium bank. Reporting to the President-Chief Executive of Inter-Alpha Asia, the successful applicant will in due course take over responsibility as General Manager of Inter-Alpha Group's Merchant Bank in Singapore.

The job holder will be responsible for the overall supervision of the Banks activities in Singapore including its lending activities in various currencies, its trade financial facilities – Imports and Exports – especially with Europe, as well as its Money Market, Foreign Exchange and Deposit/Arbitrage activities. The Bank is expected to develop progressively other forms of activity included in its charter.

We seek an all round banker able to prove his ability in these fields and also success as a manager. A perfect command of English is essential. Knowledge of South East Asia and a command of other European languages would be an advantage. 40 would be the ideal age.

An attractive compensation plan is offered.

Communications about the proposed appointment should be addressed as follows: CONFIDENTIAL. Inter-Alpha Asia (Hong Kong) Limited, c/o Mrs. Joan Rogers, Administrative Officer, 2501 Connaught Centre, Hong Kong.

Print Sales Representative

City of London

Selling financial print is an exacting and challenging job.

You will be operating at the centre of the financial wheel where all the major decisions are made.

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K.C.A. Drilling Ltd.

ACCOUNTANT

We are an expanding oil drilling contractor with operations in the North Sea, North Africa, Middle East and USA.

We require a newly qualified accountant with computer experience who has the initiative and the willingness to seek involvement in a tightly knit department. Excellent salary and conditions are offered.

If you are interested please contact:

J. R. Diack, Personnel Manager,
K.C.A. DRILLING LTD.,
5th Floor, Swiss Centre, 10 Wardour Street,
London W1.
Tel: 01-439 6951

CORPORATION OF LONDON

CHAMBERLAIN'S DEPARTMENT

A vacancy exists in the Banking, Investment and Insurance Group where a small section is responsible for the daily employment at interest of available balances, the raising and servicing of loans and the administration of sizeable portfolios of investments.

Applicants should be within the age group 25-35 and have some knowledge and experience of the placing and raising of money on the sterling market and of Stock Exchange procedures in relation to investments and the movement of securities.

Appointment will be at a point within the salary range £4,671-£6,093 inclusive according to age and experience.

There is a subsidised staff restaurant and snack bar, 100 per cent interest free loans for an Annual Season Ticket, Mortgage Guarantee Scheme.

Application forms from Administration Officer, Room 26, Guildhall, E.C.2. or telephone 01-606 3030 Extn. 2360

Charterhouse Development

Chartered Accountant about 30 — **Investment in small businesses**

Charterhouse Development Limited provides equity capital for small and medium sized, usually unquoted, companies both in the U.K. and abroad.

An additional executive is required to join its small, successful management team, initially to assist with investigations and reports on potential investments, and later to undertake wider responsibilities with growing experience.

Preferred background should include an engineering or scientific degree followed by a professional accounting qualification. Experience of investigations as well as a period in industry would be an advantage. Age likely to be 30 or under.

Salary negotiable around £8-10,000 plus car and good benefits package.

Please send career details to: E. G. Cox, Managing Director, Charterhouse Development Limited, 1 Paternoster Row, London EC4M 7DH.

A MEMBER OF THE CHARTERHOUSE GROUP

Chief Dealer

New subsidiary of expanding U.S. Bank

Our Client is a well-established branch of an American bank, shortly to open a wholly-owned merchant banking subsidiary in the City.

The initial requirement is for a senior dealer with an in-depth knowledge of C.D.'s and F.R.N.'s to develop a presence in these markets. Some experience of foreign exchange is desirable as is a working knowledge of eurobonds and gilts.

Ideal candidates, probably in their late 20's, will respond readily to the inherent challenge which this new appointment clearly represents.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside · London EC2 · Telephone: 01-248 3812/3/4/5

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STOCKBROKERS CLERKS

Age 18-25 with experience. We have the following vacancies:—
DIVIDENDS. ALLOTMENT LETTERS, CONTRACTS.
Salaries £3,000-£4,500.

BANK APPOINTMENTS

FOREIGN EXCHANGE SUPERVISOR for new settlements and instructions dept. £5,500.

2 FOREIGN EXCHANGE BACK UP ASSTS. age 22-25 with good previous experience in settlements and instructions work. £4,500.

YOUNG BANK ACCTS. ASST. Age 20/22. £3,500-£4,000.

CASH DEPT. HEAD. Age 26/33. Suit chief cashier with London clearing bank background. £5,000-£5,500

ALL VACANCIES FINALLY CARRY EXCELLENT FRINGE BENEFITS. FOR THESE AND MANY OTHERS ASK DELLA FRANKLIN 248 6071.
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Director Investment Marketing

A newly created position in a major insurance group — and an unusual specification, combining entrepreneurial marketing skills with the more generally conservative attitudes of an experienced investment manager.

You will be responsible for developing and implementing the group's policy of offering a competitive service in various investment management areas. This will be achieved, in co-ordination with the group's marketing activities, by systematically generating a greater awareness of the investment products and services offered, by developing and controlling unit trust marketing strategy and by obtaining and servicing investment asset management business. Finally, you will play a major part in the development of investment policies appropriate to all the funds under management.

You will, ideally, have had sound investment analysis experience followed by portfolio management and portfolio policy development. You will combine technical skills, investment understanding, administrative ability and marketing interest. London based. Salary c. £18,000 plus, with company car and excellent fringe benefits.

Applicants, male or female, are invited to send in confidence, full details of qualifications and experience, quoting reference 1344KS/FT to:

Robert Lee International
24 BERKELEY SQUARE, LONDON W1X 6AR.

Qualified Accountant

EMI Records, market leaders in the £250m UK record industry is looking for an ambitious, fully qualified accountant to join its important commercial finance team.

In addition to ACA, ACMA or ACCA qualification, the successful applicant will have the drive, energy and flexibility to make a major contribution to this fascinating business. Substantial salary rewards and promotion opportunities exist for the right person.

The job involves joining a team to carry out work involving special ad hoc commercial and financial projects, the analysis and improvement of accounting systems, and the development of new systems especially those with computer applications.

Salary is up to £8,000 p.a. plus an excellent benefits package, and the chosen applicant (aged mid to late twenties) will be well placed to take advantage of opportunities within EMI's world-wide group of companies.

Please apply for an application form to:
Paul Isaac, Personnel Officer,
EMI Records (UK), 1/3 Uxbridge Road, Hayes, Middx. Telephone: 01-561 8722 Ext. 210

CHIEF EXECUTIVE

Construction and Property Management

c. £12,000 — Bournemouth

Flaircrest is a rapidly expanding private group engaged in construction and property development both in the UK and overseas. Current turnover is approaching £5 million and with the continuing growth of the Company's operations in construction and other areas they now wish to appoint a Chief Executive for it's Construction subsidiary.

This appointment has been brought about by the need to co-ordinate and expand construction activities, particularly in relation to negotiated contracts. Reporting to the Group Managing Director, the Chief Executive will have overall responsibility for controlling and expanding the construction subsidiary and maximising profitability while promoting contract activity.

It calls for someone with FIOB or FICE qualifications and wide general experience of large building contracts, particularly those involving negotiated tenders. Self motivation and well developed business, administrative and management skills are essential. Preferred age is 35-45.

This appointment, which is open to both men and women, offers an excellent opportunity to play a key role in the development of the Company and future career development prospects are first class.

An attractive range of Company benefits will be provided, including Company car and assistance with relocation, where appropriate.

Write with full personal and career particulars to Group Managing Director, Flaircrest Limited, 173 The Broadway, Wimbledon, London SW19 1PS.

Flaircrest

CAN YOU JUSTIFY £10,000 P.A.?

Have you the skills and personality to market financial services?

Our clients are a young leasing company who have substantial backing and are already growing at a phenomenal rate. They aim to lead the field within three to five years and in order to do so need to recruit several young executives who will market and sell leasing packages to corporate clients.

You could be a qualified accountant or solicitor, or you might have previous experience of selling financial services: either way your background will be put to maximum use. You should be aggressive and ambitious, but should have the tact to negotiate at a senior level with new and existing clients. You should have the self-confidence to accept an uncompetitive basic salary with the remainder of your package linked to results. If you have the right attributes you should earn well into five figures.

If you could help our clients reach the top, send a full resume in confidence to:

**Nigel Halsey,
Chichester House,
Chichester Rents,
London, WC2A 1EG.
Tel: 01-242 5775**

Career plan

CITIBANK N A

INVESTMENT MANAGEMENT AND RESEARCH

HONG KONG

Citibank is expanding its operations in international investment management for institutional portfolios, and wishes to appoint a senior professional to take charge of the Investment Management and Research Department for Far Eastern stockmarkets.

The duties include responsibility for deciding international investment policy as a member of the International Asset Management Committee, for establishing and supervising a small research team, and for managing a substantial portfolio of Far Eastern investments.

The job demands a thorough knowledge of Japanese and South-East Asian securities, and candidates must possess a successful investment management record in those markets.

This is an important position within the Investment Department of Citibank. Location: Hong Kong. Generous salary and benefits will be offered.

Please write in confidence to: A. W. Regan, Vice President, Citibank NA, PO Box 78, 336 Strand, London WC2R 1HB.

CITIBANK

ACCOUNTANT FOR MERCHANT BANKING

Age 23-28 — £8,000

A major, highly respected and progressive International Merchant Bank, well known for its constant growth and substantial development, wishes to recruit an ambitious qualified Accountant to work in their central accounting team on financial and management accounts, investigations and tax.

The successful applicant will probably be a graduate, and may well have trained with an international practice. The ability to communicate efficiently both in speech and writing, and to demonstrate a high degree of self-motivation is essential. Career prospects are excellent and fringe benefits are consistent with Banking's best.

In the first instance, please telephone in confidence, **Neil Keane**

CREDIT ANALYSTS

Age 24-30 — to £7,500

Four leading City Banks currently seek to appoint ambitious Bankers with min. 2 years' analysis experience in an international context. Excellent prospects in good name Banks.

Please telephone **Brian Durham**

COMPUTER SUPERVISER

Age 28-32 — c. £6,000

International Bank seeks able person to control and develop computer units and E.D.P. systems. The successful candidate will have a computer orientated Banking background.

Please telephone **Mark Stevens**

If you are seeking to further your career in Banking, our Consultants would be only too pleased to discuss your requirements.

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

Schlesingers

Specialists in the management of private, institutional and pension funds.

Investment Management

Two challenging opportunities have arisen for young ambitious, energetic people to join a highly successful and expanding investment management group. Working closely with the Investment Directors, as part of a small team, these positions offer outstanding career prospects within the Company, and advancement will be as rapid as personal initiative dictates.

Funds under management exceed £100m and include Schlesinger PIMS unit trusts, the Trident range of insurance funds, private client and pension funds.

Candidates will have a minimum of 2 years relevant investment research experience gained in an insurance company, merchant bank, stockbrokers or similar institution. A degree or professional qualification would be very desirable.

A generous salary is offered with first class working conditions in West End offices.

Applications which will be treated in the strictest confidence, MUST INCLUDE a detailed CV, including salary details, and should be addressed in the first instance to

K G Hersey, Director,
Bastable Personnel Services,
Recruitment Consultants,
18 Dering Street, London W1

ACA to £15,000 in Europe

Italy — Germany — Scandinavia

If you are considering working in Europe, or are currently working there, our client offers an opportunity for progression immediately.

After a recent merger, the company is one of the leading American-owned Corporations with a turnover in excess of $1 billion. They operate a wide-ranging manufacturing business selling to industrial and consumer markets.

Their European companies are presently being reviewed and to further this continuing programme a number of high-calibre accountants are required for corporate audit work and systems appraisal and improvement. Promotion into manufacturing units should be rapid and will be based on merit.

The essential requirements, apart from your qualification, are about one year's post-qualification experience either in the profession or in industry, plus FLUENCY in one European language. Knowledge of American standards and procedures would be advantageous.

Apply in confidence for full details quoting RPW/29/1 to Richard Wilson B.A. or David Clark A.C.A.

David Clark Associates
4 New Bridge Street, London E.C.4 01 353 1867

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

LOANS ASSISTANT — to £8,000

Our client, an established consortium bank, seeks a graduate or professionally qualified person to assist a senior manager of the bank. Suitable candidates will have experience in the syndication market, both in risk assessment and in negotiation and structure of loan packages. The bank's loan portfolio includes corporate and sovereign risks, and the ability to prepare reports on proposals in both areas is essential. Project finance experience would be useful.

please contact: DAVID GROVE

DOC CREDITS/EXCHANGE CONTROL — to £5,500

This vacancy occurs in the London-based Group Treasurer's Department of a progressive international corporation.

Candidates should be aged in their early 20s, and have a banking background. The emphasis in the position is on the opening and negotiation of Documentary Credits, and the negotiation of Bills of Exchange; Documentary Credits experience is therefore essential. The successful candidate will also be involved in other aspects of the Department's work, including Exchange Control (with particular reference to the rules governing overseas investment and commercial payments), forward purchase of currencies, contract bonding, and the investment of surplus funds. Any previous experience in these areas, particularly Exchange Control, will be helpful but is not essential – more important would be a broad background in basic general banking functions.

The right candidate will find this an interesting and challenging opportunity to extend his or her experience. Prospects for future career development are excellent.

please contact: NORMA GIVEN

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

INVESTMENT ANALYST

London — up to £8613

Due to an expansion of the Pension Funds Investment Department, British Gas requires an experienced Investment Analyst. You will assist the Principal Analyst in the preparation of recommendations for investment. This will involve continuous monitoring of equity and other sectors. In addition you will be expected to prepare both industry and company reviews and make company visits as necessary.

Candidates should have a relevant degree, or a professional qualification, and a minimum of 2-3 years experience in an investment environment.

Salary will be in the range of £6882-£8157 plus £456 Inner London Weighting.

Please write with full details of age, qualifications, experience and current salary, quoting ref: F 016901, to the Senior Personnel Officer (London), British Gas, 59 Bryanston Street, London W1A 2AZ. Closing date for applications 2 November 1978.

BRITISH GAS

Financial Controller

High Wycombe — to £15,000 + car

Wilkinson Products manufactures and markets a wide range of consumer products within the UK. The range includes razor blades, sunglasses, garden tools, scissors and housewares, with products sold under the Wilkinson Sword, Foster Grant and Nutbrown brand names.

A Financial Controller is required for this business, reporting to the Managing Director. The ideal candidate will be 35 to 45, a chartered accountant, commercially orientated, with comparable experience within an international group – preferably in fast-moving consumer products. A further requirement is that the candidate shall be clearly capable of further promotion within the Wilkinson Match Group.

This post carries an exceptional range of fringe benefits.

Career details should be sent to:-
George Palmer, Managing Director,
Wilkinson Products (UK),
Sword House, Totteridge Road,
High Wycombe, Bucks.
HP13 6EJ.

Wilkinson Match

هكذا من الأصل

Chief Financial Executive

Northern Home Counties

£14,000+Car

This is a newly-created position in a manufacturing and marketing company with an impressive growth record and turnover approaching £8m. Initially the work entails reviewing the accounting systems before taking full responsibility for the financial function and an active part in the overall management of the company.

Applicants must be qualified accountants with experience of working with integrated cost and financial accounting systems and managing an accounting function. They should also be able to demonstrate that they have the ability to work as a member of the senior management team.

Ideally, candidates will be 30-40 with a good academic record and a degree in business administration. Experience of EDP and contract cost control would be desirable.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Mr. A. C. Crompton quoting reference 745/FT on both envelope and letter.

Deloitte Haskins+Sells

Management Consultants

128 Queen Victoria Street, London EC4P 4JX

Lending Officers

Middle East — **$35,000+tax free**

Major International Bank

Our Client is one of the most substantial banking institutions in the Middle East with considerable development plans for the future.

The bank's current requirements call for several lending officers who possess a thorough background in international banking and in-depth experience of credit analysis and loan administration.

Ideal candidates, preferably married men in the age range **26-32**, will possess a professional background, at least 5 years' banking experience and possibly an additional European language. Personal qualities of maturity and flexibility will enable the appointed individuals to respond with success to these challenging and rewarding opportunities.

The positions are offered on the basis of a 3 year contract which may lead to a full-time career with the bank. The overall remuneration package will be most attractive and includes salary, plus free accommodation, car and driver and numerous other benefits.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside · London EC2 · Telephone: 01-248 3812/3/4/5

Manager–Internal Audit

Based in London

The SmithKline Corporation is an expanding multi-national Pharmaceutical Company with headquarters in Philadelphia, U.S.A. An outstanding opportunity has arisen for a highly experienced and imaginative Manager — Internal Audit, to cover Continental Europe and the U.K. Based in London, he or she will be responsible to the Director of Internal Audit in Philadelphia, for the direction and administration of a comprehensive internal audit programme covering these areas. It is envisaged that up to 50% of his/her time will be spent abroad with most weekends at home.

The successful candidate will be a chartered accountant with a strong personality, keen business sense and fluency in either French or German. Although no age limit is being specified it is expected that the appointee would be in the age bracket 34-40. Experience in the internal audit field would be desirable, although candidates whose experience has hitherto been confined to the Profession will also be considered.

The Company, highly rated as a progressive employer, offers an attractive salary and bonus plan, excellent benefits package including a company car, and generous relocation assistance where applicable. Short listed candidates will be interviewed in London.

Please send full career details and salary requirements quoting ref. 102/FTM to:- Miss D. J. Hughes, Personnel Recruitment Manager,
SMITH KLINE &FRENCH LABORATORIES LIMITED
Welwyn Garden City, Hertfordshire, AL7 1EY.

SK&F

a SmithKline company

General Manager

OVERSEAS £25,000

For well-established and progressive overseas company specialising in the sale and servicing of survey and photogrammetric equipment, litho-offset printing machines, phototypesetting equipment, plan and photocopying machines and supplies, selected laboratory equipment and supplies.

Age group 35 to 45.

Ideally the candidate should be a chartered accountant with some years' experience as managing director or general manager of a similar business in an underdeveloped country. If not a qualified C.A., he must have a sound knowledge and good practical experience at senior management level of accountancy, finance control and secretarial work. He will have under his control a chief accountant, personnel manager, six divisional managers and five branch managers. The job demands pronounced qualities of leadership, organisational flair, drive and stamina.

Salary and bonus equivalent to £25,000 p.a. subject to annual review, on which present taxation approximately 24%. Home remittance up to 50% of income after tax. One month's home leave for every five months' service. Fully-furnished house, family travel allowance, children's education allowance, medical care for self and family, car and driver and other fringe benefits.

Apply Messrs. Reads, Drury, Theobald & Co. (C/K), Leath House, 47 Gresham Street, London EC2V 7ET.

COMPANY SECRETARY

TRANSPORT INDUSTRY

A multi-national and highly successful transport organisation wishes to appoint a Company Secretary for its U.K. holding company and subsidiaries.

Candidates should preferably be between 30 and 45 years of age, a member of The Institute of Chartered Secretaries and Administrators, fully conversant with all company secretarial duties and with practical financial accounting experience.

The new appointment results from expansion of the group and recent acquisitions. The appointee will be responsible to the Managing Director and will work very closely with him. Although London based, the appointee will be required to undertake travel in the U.K. from time to time.

It is unlikely that anyone earning less than £10,000 p.a. would have the appropriate level of experience for this challenging position.

Applications, which will be treated as strictly confidential, should be accompanied by a recent photograph and provide full details of career to date. Those which do not comply with this request will not be considered. Please indicate any companies to which the advertising agency should not forward your application. All applications will be acknowledged.

Write to: "Transport", Box A6521, The Financial Times, Bracken House, Cannon Street, London EC4.

GENERAL MANAGER

U.K. DIVISION

This appointment involves complete responsibility for all the activities of the U.K. Division of a highly successful Australia-based company.

One of the leading independent computer maintenance organisations, DPCE has an enviable reputation for professional performance in a rapidly expanding field. The position advertised results from the promotion of present incumbent to an international appointment following further expansion of the company's activities.

The successful candidate will be a professional manager (male/female), with experience in a top appointment in the services sector, and capable of sustaining the continued growth of the U.K. operation. Knowledge of a high-technology field would be an advantage.

The person appointed will have overall responsibility for the U.K. Division including:

- Marketing and Sales
- Operations
- *Finance*
- *Support Activities*

and will report to the Chief Executive Officer of the company.

Remuneration and benefits:

- Salary £15,000 p.a.
- Generous performance bonus (can be 60% of salary)
- Fully maintained company car
- Non-contributory pension
- Free health scheme
- Free Insurance
- Generous relocation allowance;

Applications in writing please, with c.v. and recent photograph, in strictest confidence, to:

General Manager,
Data Processing Customer Engineering (Pty) Limited,
6 Broad Street,
Wokingham,
Berkshire. RG11 1AB.
Tel: Wokingham (0734) 790703

D.P.C.E.

JAMES CAPEL & CO.

OIL SPECIALIST

We are seeking a specialist to develop further our existing cover of the oil industry and particularly to study the U.K. companies and North Sea activities.

The successful applicant must have considerable knowledge of the international oil industry, analytical ability and the capacity for lucid presentation of ideas, both verbally and in writing. An important aspect of the work will be the development of a close relationship with our institutional clients.

Formal qualifications are less important than relevant experience which may have been gained in a brokerage firm or financial institution, in the oil industry or through an appropriate journalistic background.

Remuneration will be fully competitive.

Please apply in writing to:
**D. Schulten,
JAMES CAPEL & CO.
Winchester House,
100 Old Broad Street,
London EC2N 1BQ.**

Controller & Divisional Director

Herts. — **c. £14,500**

Promotion of the present incumbent into general management creates the need to recruit a controller and divisional director for an important manufacturing division of a multi-national group with operating units in the U.K. and overseas.

Reporting to the managing director and with a sound accounting back-up team, the person appointed will primarily be concerned with filling a central role to maximise the return on divisional investment. As a divisional director he or she will help to formulate overall policies, strategies and procedures.

Suitable candidates, probably 35-45, must have a recognised accounting qualification and experience at senior management level in the finance function of a large organisation (preferably multi-national) employing modern control and management information systems and procedures. A record of developing first-class financial staff is also looked for.

In addition to salary, which is negotiable, there is a comprehensive range of fringe benefits.

For an application form, write in confidence showing how you meet the specification and quoting reference 3727/L, to M. J. H. Coney.

Peat, Marwick, Mitchell & Co.,
Management Consultants,
Executive Selection Division,
165 Queen Victoria Street,
Blackfriars, London, EC4V 3PD.

EXECUTIVE SECRETARY/P.A.

to

MANAGING DIRECTOR (Banking)

£6,000 p.a. — **To start on January 2, 1979**

A secretary experienced in banking or finance-related areas (e.g. lending, borrowing, foreign exchange, documentary credits, etc.) would find this position very interesting, working for and with a demanding banker entrepreneur, helping to build up the banking business with an already existing clientele in the Far East, Europe, Africa and South America. The person appointed must be able to deputise in his absence and accept responsibility.

The applicant should have a good telephone manner, be self-motivating, with a sense of humour, good dress sense and able to deal with visitors. Preferred age 25-35, a career person, with first class secretarial and organisational skills, able to work efficiently under pressure, not adverse to menial tasks (coffee making, despatch of telex messages, errand services) and overtime, if necessary.

The person must have a quick and analytical mind, should be dependable and able to use intiative.

Languages preferred but not of prime importance.

Excellent prospects exist for promotion to executive status and further earnings potential. The position will also entail some overseas travelling. Hours 9-17.30; four weeks' holiday.

Please write in strict confidence with full c.v., personal experience and include a recent photograph (will be returned) to: The Managing Director, Ref: CL, Gallic Investments Ltd., 85 London Wall, London, E.C.2. Closing date for application: November 3, 1978.

Credit Analysts enhance your career with THE BANK OF NEW YORK

DEVELOPMENT of the Credit Department provides an exciting opportunity for a young Credit Analyst..

A GOOD DEGREE or a chartered accountancy qualification and one year's credit analysis experience involving corporate finance work and country risk assessment coupled with indigenous bank analysis are essential.

EXCITING PROSPECTS and challenge await the right person for whom this is a real career opportunity.

COMMODITIES KNOWLEDGE would be a distinct advantage but is not essential.

MANY BENEFITS are provided by this lively forward looking concern including cheap mortgage and loan schemes, annual bonus, excellent pension plan etc.

EXCELLENT SALARY could be yours if you really are a top calibre, high flying young analyst.

PHONE OR WRITE for an application form to Mrs. A. Jones, Cripps, Sears and Associates, Personnel Consultants, Burne House, 88/89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701.

Cripps, Sears

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

BOND/FRN TRADER
BRUSSELS — Salary negotiable

This is an opportunity for a Junior Bond Dealer to work in Brussels. Our client, a consortium bank with international bank shareholders, has an opening within the Securities Department for a specialist in Floating Rate Notes and Straight Bonds. At least two years experience in this field is required, and candidates should also have some capability in the French language.

Please contact: RICHARD MEREDITH

TRAINEE CREDIT OFFICER
PARIS — Salary negotiable

Our client, a well-respected international bank, intends to offer an interesting career opening to a young graduate banker (aged early/mid 20's). The successful candidate will in the first instance be appointed for a 2-year period to the bank's Paris office, where training will be given in Credit and Bank Relations work; career prospects thereafter will be within the bank's London branch. Candidates – native English speakers with a knowledge of French – should have a university background and about two years general banking experience.

Please contact: RICHARD MEREDITH

FOREIGN EXCHANGE DEALER
LONDON — c.£7,000

An overseas bank, with a small but active operation in London, seeks an experienced Foreign Exchange Dealer with a knowledge of Deposits. The ideal applicant will be aged 25/30, with about 3 years dealing expereince. The appointment carries a considerable measure of responsibility, and good promotional prospects. In addition to a competitive salary, the usual banking fringe benefits apply.

Please contact: ROY WEBB

170 Bishopsgate London EC2M 4LX · 01-623 1266/7/8/9

MANAGEMENT ACCOUNTANT

required for Synthetic Industries (Ireland) Limited. The successful candidate will be a qualified accountant preferably with post-qualification experience including the preparation of full financial statements in addition to Budget forecasts, projections, etc. The ability to work as a member of the management team and to meet deadlines will be key factors in the appointment. The rewards offered are commensurate with this attractive opportunity.

Applications in strict confidence to:

The Managing Director
SYNTHETIC INDUSTRIES (IRELAND) LIMITED
Carnbane Industrial Estate
Newry, Co. Down

SENIOR DEALER — U.S.$s negotiable

A long established Bank requires a Senior FX Dealer with a minimum of 5 years' dealing experience for its recently opened New York Branch. The post offers attractive salary, conditions and promotion prospects and is likely to have especial appeal for expatriate U.S. citizens.

Write Box A6518, Financial Times
10 Cannon Street, EC4P 4BY

Senior International Treasury Appointments

South Coast based

The Regional Treasurer's Office of American Express is responsible for treasury operations in Europe, Middle East and Africa. The Treasurer's Office is located in the European Headquarters at Brighton. As part of the planned growth of the treasury function the following vacancies, which require travel within the region, have arisen:

Cash Manager

The Cash Manager will be required to develop, recommend and implement centralised cash mobilisation programmes and practices of the company and its subsidiaries. Applicants must be able to demonstrate sound related experience within a treasury or similar environment. A knowledge of computer applications is essential. Applicants will be Graduates, or offer equivalent standard gained from commercial experience.

Foreign Exchange Exposure Manager

The Foreign Exchange Exposure Manager will be required to develop a centralised foreign exchange exposure management information system to protect the assets of the company from currency fluctuations. He she will be required to develop and implement programmes to identify and measure exposure risk. Candidates should hold a recognised accountancy qualification and demonstrate a sound knowledge of foreign exchange exposure management.

Finance Manager

The Finance Manager will be responsible for recommending policies and negotiating short and long term financing. He she will hold a key position in the company's relationship with major banks. Suitable candidates will demonstrate a strong personal presence and a sound banking background.

These vacancies carry competitive salaries and attractive benefits package including subsidised mortgage facilities, a contributory pension plan and free life assurance. Relocation expenses will be paid where appropriate.

Applicants, male or female, should write with full personal and career details to:– **Roger Brown, Manager Central Personnel, American Express Company, Amex House, Edward Street, Brighton, Sussex.**

AMERICAN EXPRESS

Opportunities in all areas of Financial Management and Analysis

Austin Morris is a newly constituted Company employing 45,000 people within BL Cars with plant locations in Birmingham, Coventry, Oxford and Belgium.

Major changes in style and approach are being implemented by the new management team as part of ambitious plans, which are gearing the Company for success.

Product impetus has been demonstrated with the launch of the new Princess and Marina ranges of models. Many other exciting design projects are underway.

In addition, far reaching plans are being implemented to achieve major improvements in facilities, quality, productivity, sales and marketing.

Austin Morris has full profit responsibility. It's Finance Function has been established and is to be strengthened – particularly with improved financial analysis techniques to develop existing management systems in the following fields:

Profit Planning and Analysis
Capital Expenditure Planning
Manufacturing Cost Analysis
Cost and Financial Accounting
Vehicle Cost Control
Product Programme Analysis and Evaluation
Sales/Marketing activities – UK, Europe, Overseas.

These are the decision making areas of any successful business: for which we seek experienced Financial Managers as well as Analysts.

The men and women we are looking for to fill the available positions cover a wide variety of qualifications. You may be a part or qualified Accountant, a skilled Financial Analyst from an industrial environment, or a numerate graduate with commercial experience. Even if you are not in one of these categories but have high analytical potential and financial flair and would be interested in a career in Financial Management, you should still apply. The choice of career advancement through our Management Development Schemes is certain to impress you.

A wide selection of jobs are offered with salaries ranging up to £10,000+ dependant on your experience/qualifications. Attractive benefits and generous relocation assistance are also offered.

If you are self motivated and ambitious and are confident you can make a contribution, write now to:

M B Craggs
Organisation & Personnel Planning
Austin Morris
Austin Morris House,
Bickenhill Lane,
Birmingham B37 7HH.

Austin Morris

APPOINTMENTS RATE
£14.00 Per Single Column Centimetre

Newly Qualified ACA

London based — **to £7000 + car**

You are a first class professional auditor. You have grown tired of checking historical facts. Are you now ready to stretch yourself, develop your experience and make a more effective and immediate impact on business?

If so, an American multinational, which last year set up audit and consultancy functions to service its UK and Western European activities, is keen to recruit an individual like you and without question will provide the necessary stimulus to your career.

Experience in one of the top firms, plus the desire and ability to travel (you can be either married or single) are the only prerequisites we have set.

If this opportunity to operate with responsibility and independence in a major group appeals to you, please write in confidence with concise personal and career details, quoting reference T889/FT, to R. G. Billen.

AMS
Arthur Young Management Services
Rolls House, 7, Rolls Buildings
Fetter Lane, London EC4A 1NL.

FINANCIAL CONTROLLER

Industrial Group: c. £12,500

Our client is an asset rich, old established public company going through the transitional phase of replacing earnings from declining trades with earnings from growing ones. This is a challenging period which calls for the highest standards of objective financial control to be applied both to the existing businesses and to the investigation of new ones. Candidates, qualified accountants probably in their 30s, will already be in a position of seniority in a competitive environment and be experienced particularly in the installation and monitoring of controls, cash management and the investigation of investment opportunities. This appointment, which is based in the East Midlands, has occurred because of a promotion to the Board and will carry a salary of about £12,500. Company car, all relocation expenses and other benefits. Applications with full career details from men and women should be sent in confidence to A. P. Rait, as adviser to the company, at Selection Thomson Ltd., Room 17, Terminal House, 52 Grosvenor Gardens, London SW1W 0AU.

SELECTION ● THOMSON

Young Accountants £8000

for a career with a difference and *real prospects of Senior Management*

Chart Tutors, one of the leading private sector tuition firms, have recently acquired the World renowned accountancy tuition business of H. Foulks Lynch & Co. Ltd. This development means that we have an immediate requirement for energetic accountants who wish to combine the satisfaction of academic work with the management of a fast-growing, successful organisation. Preference will be given to graduate accountants who have qualified within the last two years. There are vacancies for Chartered, Certified and Cost and Management Accountants. This is a unique and exciting opportunity to join us at this phase of our development. We offer a challenging and rewarding career, both in terms of job satisfaction and salary (up to £8,000 for the first year) and every opportunity for management development within an entrepreneurial environment.

If you have no previous tutorial experience, we will give you all the necessary training.

If you are interested in helping students to pass their examinations, we would be pleased to hear from you. We *have vacancies in London and Birmingham, Please* telephone or write to the Chairman's Secretary at:

Chart Tutors Limited, 82 New Street,
Birmingham, B2 4BA. 021-643 2406

CT Chart Tutors

Other tuition centres in Andover, Bristol, Leicester and Nottingham.

INBUCON

Financial Executive

c £30,000

Our client is one of Fortune's major multi-nationals operating world-wide. It has diverse commercial and investment activities throughout Continental Europe and UK. Budgets are measured in billions: operations are multi-currency and often complex. This business is expansionist with major financial and management resources for further deployment.

As part of this programme an internationally seasoned financial executive of senior status is required. We look for demonstrable success and high reputation in arranging funding, cash management, financial development and control of large scale international operations. The experience required is likely to have been gained in a substantial international organisation, a bank, Merchant Bank or in a lending Institution.

Applications will be acknowledged and treated in complete confidence if addressed personally to:– H. Ian Carlton, Director Executive Selection,

INBUCON MANAGEMENT CONSULTANTS LTD.,
Executive Selection Division,
197 Knightsbridge, London SW7 1RN.

Financial Management Consultancy

London based — **£9,000–£11,000**

Over the past four years our growth has been consistently over 20%. Our aim is to become one of the leaders in the market for high quality consultancy and to achieve this we need consultants who can contribute the highest level of technical competence as individuals, and as members of multi-discipline teams.

You will be a qualified accountant, aged 28-36, whose experience will have included:

- Management of a line department at a senior level
- Financial appraisal of businesses and projects and direction of the subsequent investment/divestment programmes
- Design and implementation of management information and accounting systems

Please write or telephone (01-831 7130 Ext. 444) for an application form quoting reference T890 to Paul L. Goodman.

AMS
Arthur Young Management Services
Rolls House, 7, Rolls Buildings
Fetter Lane, London EC4A 1NL

International Banking

Birmingham — **from £8000 + benefits**

A major international bank is extending its U.K. activities by opening a new branch in Birmingham to service the West Midlands area.

A young enterprising assistant is required to help the manager to develop the branch which will concentrate on servicing industrial companies, particularly in connection with their overseas business. The finest administrative and technical support is provided.

Applicants in their early 30's, with AIB or similar qualification, should have extensive knowledge of the West Midlands. Sound experience of U.K. banking practice, including exchange control and credit analysis, is important.

Adaptability and initiative will also be important requirements for this new phase in the bank's development.

In addition to a negotiable, realistic, salary, there are attractive fringe benefits.

Write in confidence, quoting reference 2941/L, to M. D. O'Mahony,

Peat Marwick Mitchell & Co.,
Executive Selection Division,
165 Queen Victoria Street,
Blackfriars, London, EC4V 3PD.

Institutional Equity Department

Our Institutional Equity department offers an excellent opportunity to a person of around 27 years of age with ambition and the ability to sell.

It is anticipated that the successful candidate will have had at least two years experience within this field.

Salary negotiable according to ability.

Please write giving full C.V. to:

R.M.R. MacDonnell,

Laurie, Milbank & Co

Members of The Stock Exchange

Portland House,
72/73 Basinghall Street, London, EC2V 5DP.

TWO AMBITIOUS MANAGERS

NORTH STAFFORDSHIRE

We are looking for two individuals of outstanding promise to strengthen our management team and give us more versatility. The initial appointment could be in either a production, technical or administrative function. It is hoped that progress into senior management will be rapid.

We do not necessarily require either formal qualifications or particular experience. Honours degree level intelligence is required however, and evidence of this will be an advantage. Likely age group 22 - 30.

We are a successful company. Our style is modern and straightforward. Our managers are judged only by their results. Conditions of employment include an excellent pension scheme and a significant bonus scheme. There is no need to worry about salary at this stage.

Applicants, male or female, either apply formally in writing or telephone to get more information to,
Richard McNamara,
Personnel Director,

Staffordshire Potteries Limited
Meir Park, Stoke on Trent,
ST3 7AA. Tel: 0782 315251

Kiln Craft Tableware

EUROPEAN ACCOUNTANT

c £7,000—SW1

Financial control of multi branch operations throughout Europe from a London base. Travel 1-2 months per year, more when engaged in relief management.

The *appointment is open to* ACA/ACCA up to age 28, having fluency in one additional European language. Contact Robert Miles for interview

FINANCIAL ACCOUNTANT

£7,000 neg. + Car—Middx.

A major new appointment with an expanding company to assume full responsibility for the financial function.

If you are qualified, preferably aged *around 30, and have sound industrial/* commercial experience, call Keith Diver for an initial exchange of information and interview.

01-248 6321

PERSONNEL RESOURCES LIMITED

A member of the Financial Techniques Group

Specialists in Financial Recruitment Services.

ISLAMIC DEVELOPMENT BANK
Jeddah
Salary scale $US20,000 to $US43,000

The flourishing Islamic Development Bank, an international organisation, is wishing to augment its staff to meet expanding business needs. Working in multi-disciplinary teams, using Arabic, English and French languages, engaged on the appraisal of wide ranging projects, the requirement is for the following:-

Senior Accountant (Ref 168)

With a minimum of fifteen years in-depth accounting and financial experience. Applicants should be chartered accountants with an M.B.A.

Senior Research Economist (Ref 169)

With substantial experience in the field of Economic research and analysis. Qualifications should include a PhD.

Finance Officer (Ref 170)

With substantial experience of budgeting and financial management. Qualifications should include an M.B.A. or equivalent.

Investment Officer (Ref 171)

With substantial experience in the field of Securities Investment. Qualifications should include an M.B.A. or equivalent.

All candidates should possess a minimum of 10 years experience in an appropriate financial, banking, or investment organisation. Knowledge of more than one of the languages used is preferred and preference will be given to nationals of member countries.

In addition to a generous salary other benefits include free furnished accommodation, free travel for annual home leave, dependents allowance, educational assistance, free health care, life insurance cover, contributory pension scheme and resettlement and transport allowances.

Applications should be sent in confidence, quoting the appropriate reference number, to:-

R. J. Batten, Whitehead Consulting Group,
21 Wigmore Street, London W1H 9LA.

1974 WHITEHEAD

Use your management skills
in an expanding retail operation

c.£7,500 + car — West London

This attractive career opportunity is with a fast growing motor trade main dealer situated in West London. Part of a major and successful UK Group the company has doubled its turnover in the past two years. It now stands at around £6 million per annum with the expectation of expanding almost as quickly during the next 12-18 months.

An experienced Management Accountant is now required to head up a small decentralised autonomous department with well established accounting procedures. Principal responsibility will be for the preparation of a comprehensive set of monthly management accounts; management of the accounts department and maintaining effective liaison with departmental and general management on interpretation of accounts. Functional responsibility will be to the Financial Director with line responsibility to the dealership General Manager.

This appointment calls for a man or woman aged [illegible], preferably qualified and with well developed managerial, planning and organisational skills. It is essential to have current experience in the retail motor trade, or comparable retail distribution industry.

Salary will be negotiable around £7,500 per annum with company car and an attractive range of benefits including pension and life assurance schemes.

Write with full personal and career details to Position Number AGU7025, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to clients concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

Institutional Equity Salesmen

Due to our growing client list and greater coverage of the equity market, we wish to recruit three additional salesmen to join our Institutional Marketing Group, at our London office.

As members of this Group, the successful candidates will provide institutional clients with a broad coverage of the equity market; they will also work within one of the firm's specialist areas—electrical, banking, or insurance—as part of their overall responsibility. The Institutional Marketing Group is fully supported by a specialist research and dealing capability.

We invite applications from candidates (male or female) with several years' experience in stockbroking or fund management. Enthusiasm and commitment are qualities we are essentially seeking; a degree or professional qualification, however, would be an additional asset.

A fully competitive salary will be offered plus profit-related bonus and additional benefits.

Please apply in confidence to The Senior Partner,
Wood, Mackenzie & Co., 62/63 Threadneedle Street,
London EC2R 8HP. Tel: 01-600 3600.

WM

WOOD, MACKENZIE & CO.
MEMBERS OF THE STOCK EXCHANGE

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W. I. Carr, Sons & Co.

MEMBERS OF THE STOCK EXCHANGE

HONG KONG AND JAPANESE DEPARTMENTS

INSTITUTIONAL SALES EXECUTIVES

Sales Executives are required to join our London-based Far East Department which—backed by our Tokyo and Hong Kong offices—services a wide range of institutional clients in both the U.K. and Europe.

These positions offer an exciting opportunity for the right applicants to join an experienced team specialising in these increasingly important markets.

Apply with curriculum vitae to:—

Richard Bradley,
W. I. Carr, Sons & Co.,
Ocean House,
10-12 Little Trinity Lane,
London EC4P 4LB.

General Manager

Major new insurance company — c. £15,000

A major new insurance company is being established in Manchester on a joint venture basis by Great Universal Stores and the insurance subsidiary of Sears Roebuck. The company will market a range of insurance products in the United Kingdom by direct mail. A development team from the two shareholders has been engaged in setting up the new company and the General Manager will take over from them, assuming responsibility for planning and controlling its future development and operations. He or she will be supported by a team of experienced and well-qualified senior managers. This is a challenging opportunity requiring a non-traditional approach to the marketing of insurance and the ability to establish and maintain an efficient professional and successful organisation. Applicants, must be experienced in insurance and have been successful in senior positions carrying profit responsibility. Experience of direct mail marketing would be an advantage as would possession of a degree or equivalent qualification. The preferred age range is 35 to 45. Salary is negotiable around £15,000 and will not prove a bar to the outstanding candidate. The car provided and other fringe benefits will also reflect the importance attached to this post.

PA Personnel Services
Ref: GM6/6611/FT

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Accounting and Finance Manager
Liberia

MOBIL OIL LIBERIA INC., Monrovia, Liberia, wishes to employ an Accounting and Finance Manager. Candidates must be Liberian citizens. A university degree and/or professional qualifications such as Certified Accountant or Chartered Accountant with five or more years' experience in accounting is preferred. The successful candidate will be responsible for general cost accounting, financial, fiscal and accounting statements, short and long term cost forecasts, credit policy, internal credit and office services. Interviews will be held in London.

Candidates should send resume with educational background, professional qualifications, work experience and salary requirements to:

P. J. Johnston, Mobil House,
54/60 Victoria Street,
London SW1E 6QB.

Mobil

QUALIFIED OR PART QUALIFIED ACCOUNTANT
STAFF HIRE LTD.

required to assist Directors in preparing accounting statistics for a technical employment agency group with offices throughout the UK. Annual turnover over £3 million. The job could eventually expand to involve all aspects of running the accounting function of the group. Excellent negotiable salary plus company car.

Write or telephone:
D. H. A. BRAY, Director
80-82 High Street, Ware, Herts.
Ware 5921

Nationwide
Building Society

Nationwide Building Society, a leading financial institution throughout the United Kingdom with assets in excess of £3,100 million, is seeking an assistant for

INVESTMENT MANAGEMENT

within its Head Office, Finance Division in Holborn. The successful candidate will join a small team responsible for cash flow budgeting and providing accounting and management services on liquid funds approaching £600 million.

The interesting range of duties will appeal to those with good previous experience of accounting/administrative procedures relating to investment portfolio management. Some progress towards an appropriate accounting qualification would be regarded as an added advantage.

Commencing salary in the region of £4,750 per annum on a scale rising to £6,250 subject to job performance. The concessionary mortgage facility applies and other fringe benefits include season ticket loans and four weeks annual holiday entitlement. The Society has its own Superannuation and Sickness schemes.

Applications, giving details of age, experience and salary expectations should be sent to:—

B H Phillips ACCA IPFA MBIM
General Manager (Finance)
Nationwide Building Society
New Oxford House
High Holborn London WC1V 6PW

FUND MANAGER

A leading Accepting House wishes to recruit a Fund Manager for its expanding Pension Fund Department.

The successful candidate will have had at least five years' experience of managing such funds and will have the ability to get on well with people. He /she should have a university degree or professional qualification and can anticipate an attractive salary with the usual fringe benefits.

Please reply with full curriculum vitae to

Box A6520
Financial Times, 10, Cannon
Street, EC4P 4BY

Software Working Managers in Financial Industry

An American consulting firm specialising in EDP software for the financial industry seeks several mature, experienced, highly qualified working managers for projects in London.

Substantial expansion contemplated will provide unlimited personal potential on challenging assignments.

Starting salary offered will be fully commensurate with qualifications and experience.

Interviews will be conducted in London starting 1st November, so immediate responses are called for.

Please apply with full details of education training, experience and qualifications and quote reference 937. Applications will be forwarded to our client unopened and subsequently matters will be dealt with in strictest confidence.

Charles Barker-Coulthard

30 Farringdon Street, London EC4A 4EA.
Telephone 01-236 0526

CORPORATE FINANCE

We are expanding our Corporate Finance Department and require an individual who has had two or three years international experience working in a merchant banking environment. A university degree or professional qualification is necessary while a second language would be helpful. The work will involve processing of syndicated loans, international bond issues, mergers, acquisitions and related financial transactions. This position would be ideal for a person seeking a challenging job in international finance with a substantial career opportunity. Salary dependent on qualifications will be commensurate with the importance of the post.

Applications with curriculum vitae should be sent to:

F. G. Fisher,
Blyth Eastman Dillon & Co. International,
Wardgate House, 59A London Wall,
London EC2M 5TP.

BAIN & COMPANY
Australian Stockbrokers

are looking for an **Investment Advisor** to join an established team in London.

Such person will be well versed in Australian securities and be able to communicate this knowledge effectively to senior investment personnel in London and on the Continent. Salary will be commensurate with ability and experience.

Applications, which will be treated in the strictest confidence may be directed to:—

Russell Middleton,
BAIN & COMPANY,
3 Queen Victoria Street,
London EC4N 8DX.
Tel: 236 0193.

International Recruitment Specialists for the Commodity Markets

COMMODITY Graham Stewart APPOINTMENTS

STEEL TRADER

An opportunity exists in a Major Trading House for a young trader with some experience (ideally 2-4 years) and currently earning a salary around £4,500 p.a. Preferably a Graduate or good "A" level background and in the age range 22-27. The Company can offer extensive international experience and salary appropriate to the candidates' background, will be negotiated.

Write or telephone:—

COMMODITY APPOINTMENTS,
8, Egmont House,
116, Shaftesbury Avenue,
London W.1.
Telephone: 01-439 1701

Directeur General
Madagascar: £14–18,000 tax free

British based international company with local offices in the capital, Tananarive, involved in large scale agro-industrial development schemes in Madagascar. Applicants should be accountants or have a financial discipline, and offer fluent French together with a record of commercial achievement in a French speaking environment. The role calls for a steady, well developed leadership style and the ability to achieve co-operation from government ministers, senior civil servants and financial institutions. Evidence of ability to work effectively with others from different national and cultural backgrounds is required. Success in this role will lead to excellent international career opportunities. Housing and car provided. Preferred age 30–50. Reference 123.

Write in confidence or telephone Philip Egerton: 01-499 2215.

Philip Egerton & Associates

Selection Consultants
178/179 Piccadilly, London W1V 0QP

LEASING

c. £8,500

An experienced person required for the leasing subsidiary of a well established small City institution providing advisory and practical assistance to commercial and industrial companies.

The successful applicant will be fully conversant with the administrative procedures of a leasing company and possess the ability and contacts to fulfill the leasing requirements of the holding company's customers.

This is an exciting and challenging position in an expanding organisation and carries an attractive starting salary together with a profit sharing bonus and other fringe benefits.

Please write, giving concise career details in confidence to:

The Managing Director
Manex Leasing Limited
Shelley House
Noble Street LONDON EC2V 7JQ

Senior Credit Analysts

Two large City Banks are seeking credit analysts with a minimum of 3 years experience in the International field of Credit Control and Loans Administration.

Age 25-35 - Salary £6,000-£8,500 p.a.

Import/Export Manager

A self motivated person with 5 years experience in all aspects of documentary credits, E.C.G.B. is required by a City Bank to supervise this section.

Age 30-45 - Salary to £7,500

LJC BANKING APPOINTMENTS
01-283 9958/9

ENGINEERING INVESTMENT ANALYST

We are seeking to appoint an analyst who is familiar with the engineering sector to take charge of our research in this field.

Considerable working freedom is offered to develop his, or her, own ideas and an active participation in securing business will be encouraged. Salary to be negotiated according to experience.

Please write with c.v. to:
R. D. Foster, Pideon de Smitt, Salisbury House
London Wall, London EC2M 5RT

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SAFETY

Air cushions save buses

UNDER STUDY in Britain is a pneumatic crushable bumper which has been fitted to their fleets by more than 100 city bus operators in the U.S.

HELP, for high energy level pneumatic, bumpers by Firestone are made from a lightweight elastomer which is self-restoring and vandal proof and not affected by extremes of temperature.

Repeated 400 lb impacts with a rounded-end 6mm diameter steel bar cannot puncture the bumper material and a bus equipped with a HELP unit was crashed into the back of a passenger car with no damage to bumper or bus. At lower impact speeds, the car was not damaged either.

Though pneumatic, no on-board air is required. On impact, air exhausts through four cross-slit rubber valves that open like the petals of a flower, afterwards snapping shut so as to minimise rebound. The vacuum dissipates in seconds, however, as the bumper structure inhales a fresh charge of air.

Nottingham City is the evaluating authority and the bumpers are available to fit standard bus chassis such as the Leyland "Atlantean."

Further details from the company on 01-741 2321.

Versatile monitor

NOT LONG ago, factory and business premises alarm monitoring was restricted to sensing the condition of some electrical contacts, detecting temperature increases or registering some other simple event.

Mixing of sensors, providing optional courses of action after an alarm, and expansion of the system were frequently difficult.

Use of a microprocessor in the latest monitor, Teletracer W2 from Cass Electronics, has meant that up to 1,000 points in 20 groups of 50 can be accommodated: scanning detects any change of status and triggers an alarm at a central control station.

Scanned points can be of any type—manual or automatic, heat or light-sensitive, simple make and break contacts or any other detection device, in any combination. The micro can even be made to detect line faults and inoperative devices.

The system distinguishes four types of alarm, interpreting five different status possibilities for each point, including the no-alarm fault condition.

At the central station an operator can put into or remove from the scanning sequence any of the scanned points, using keyed access to the memory. These programming actions are suitably printed out as are the alarm/time/date data of the scanning sequence. An alarm is also indicated by both audible and visible signals.

Installation throughout is with simple pair wire cables.

Being software based, the equipment can be expanded easily without modifying the central station. The memory is protected for up to eight hours in the event of a power failure.

Cass Electronics is at Crabtree Road, Thorpe, Surrey (Egham 8266).

Isolates the battery

ANNOUNCED BY Lucas Electrical is a new design of battery master switch which a driver can use, from the cab, completely to islate the battery from the vehicle's wiring system.

Lucas expects that discussion at Government level will result in a requirement that master switches should be operable from the cab by the driver when seated in his normal driving position. The product has in fact been manufactured to meet present and anticipated EEC legislation, U.K. petroleum regulations and the day-to-day needs of commercial vehicle operators and manufacturers.

The new master switch, a fully sealed unit in a tough plastics material, can be operated by a "T" bar handle from outside the cab, or by pressing the button inside. In the second case the prime mover is a solenoid with a wide operating range, capable of moving the switch element even when the batteries are partially discharged.

Normal working current of the switch is 150 amps, but it can break an overload of up to 2500 amps. Alternator field isolation is by a separate contact set.

More from Great Hampton Street, Birmingham B18 6AU (021 236 5050).

● INSTRUMENTS

Finds the cracks

THE LATEST eddy current crack detector from Ardrox has simplified the operator's task to such an extent claims the company, that even an unskilled person can become proficient in its use almost immediately.

The unit, which measures 165 by 255 by 165 mm and weighs 4.5 kg, can detect surface cracks on both ferrous and non-ferrous surfaces. It can operate through paint or insulating coatings and on samples which are oil or grease covered.

Called Crakchek, the instrument is supplied with two pencil probes (for ferrous and non-ferrous metals), blocks with test cracks in them, earphone, probe lead and battery charging lead (the charger is built in).

The unit will not confuse edges with cracks; in the former case the pointer moves in the negative direction as the edge is approached.

A dual audio facility is provided: in one mode as the probe approaches a crack both pitch and volume of the loudspeaker tone will increase; in a second mode, with a threshold level set by front panel control, a tone is heard only when that level is exceeded; a red lamp is also illuminated. More from the company at Furlong Road, Bourne End, Bucks (06285 24951).

● PROCESSING

Cuts noise of lapping

A SIMPLE modification has cut the noise level of Logitech precision lapping and polishing machines by about half, without increasing the cost. It lies in fitting a more modern pump, the Edwards Speedivac 2, to the vacuum chuck systems used on Logitech machines.

This unit, which has been shown in tests to be almost as quiet as an electric motor as well as virtually vibration-free, cannot be heard at all when the machines are operating. It also has certain advantages such as oil sealing and a "gas ballast" facility, which enable it to cope efficiently and reliably with the water vapour and "dirt" produced by the lapping operation.

The modification is standard on new Logitech PM2 precision lapping and polishing systems and the larger LP30 production lapping and optical polishing machines at no extra cost.

Logitech, Lomond Estate, Alexandria, Dunbartonshire G83 0TL. 0389 53764.

● POLLUTION

Making sure effluent is purified

COMBINING separation and co-coagulation techniques, a new service to ensure minimum oil pollution from effluent discharges, particularly on inland waterways, is being offered by Alexander Esplen.

Applicable to the treatment of coolants, surface water in oil contaminated areas, etc., prior to discharge within the legal limits, the process has got over the hurdle of type testing and the company says it is the first able to claim full IMCO approval in accordance with international standards for a series of oil/water separation systems covering discharges of between one and 25 tons per hour.

IMCO for International Marine Consultative Organisation, is a body set up under United Nations auspices in which most countries are represented. It is concerned primarily with the prevention of pollution of seas and waterways, particularly with petroleum products.

Tests under supervision by an official organisation have shown a purity of effluent after treatment as low as 0.9 ppm, with an average of 4.7 ppm, considerably below the legal acceptable limit of 15 ppm.

Esplen has set up a new department to provide the service and part of the operation it would undertake with clients would be to instal a mobile effluent evaluation treatment unit with a throughput of 1 ton an hour. This allows potential users to make their own decisions concerning specific problems.

Samples of purified effluent are available after treatment for analysis within the evaluation module. If the results are acceptable, the unit and the methods adopted will form the basis for a tailor-made purifier built by the company.

Water costs are going up and the requirements of local authorities are becoming increasingly stringent in their drive to rid inland waterways of oil pollution.

The service is timely in view of the new ruling that, from January, 1979, all new shipping over 500 tons gross in production will have to be fitted with IMCO-approved equipment.

Further details of the service from Alexander Esplen and Co., 107 Duke Street, Liverpool L1 4JR. 051-708 8696.

● CONSTRUCTION

Heat needs calculated

LAUNCHED BY the Royal Institute of British Architects is a calculator and program package that will allow architects, engineers and anyone else concerned with the energy requirements of buildings to make the calculations at high speed.

Although the mathematics involved in calculating say, the heat loss from a building are not very difficult, they can be time consuming and tedious when, in order to look at all the options, they have to be repeated many times.

The RIBA package uses a Texas Instruments TI59, a hand-held magnetic strip programmable machine mounted on a cradle together with a PC100B printer. Once the appropriate program has been entered by inserting the magnetic strip, the user then has only to enter the numbers involved in the right order. To reduce mistakes the user is "prompted" through the sequence by instructions on the digital display.

RIBA points out that six out of seven building designs carried out are for work worth under £100,000 and so the first handful of programs has been written for this range and on the assumption that air conditioning is not used.

Programs available include design and average heat loss, gross space heating consumption by empirical or "degree day" methods, "U" value for walls up to eight layers, and condensation risk.

The Institute is at the moment implementing a program aimed at impressing the need for energy conservation on the membership, and an energy co-ordinator has been appointed, financed by the coal, gas, electricity and oil industries. RIBA regional groups are being set up and ultimately it is hoped to follow these with some kind of energy advice centre "in the high street" perhaps with the assistance of the Department of Energy.

RIBA is at 66, Portland Place, London, W1N 4AD (01-580 5533).

Debut of mobile plant

A REVERSING elevator, to assist in the more thorough depositing of material and facilitating better breaking up of tougher surface, is built into a Michigan elevating scraper, the first to be sold in the UK, and now in use at quarry pits for E. H. Bradley and Sons.

Also, providing better operator comfort and safety, is an electric start on the rear engine, in place of the old air start system, and increased air filtration, says the distributor, SLD Olding of Hatfield (Hatfield 62333).

The company has also received an order for a Cosmos Clark 725CM 25 tonne capacity truck crane from BP Oil Grangemouth Refinery. The engine and ancillary equipment will be flame proofed to OCMA MEC1 standards, and the rest of the crane will be modified in line with the same standards.

It will also be supplied with the Cosmos Personnel Carrier which when pinned to the main boom section enables the crane to be used as an access platform for general maintenance and repair duties. The company believes the truck crane is the first to meet the new petro chemical industry standard for mobile plant operating in hazardous areas.

For homes or offices

TWO INSTANT accommodation units have just been put on the market. One is called the Adapta Unit from Arlington Joinery, Copenhagen Road, Sutton Fields Industrial Estate, Hull, North Humberside (0482 825440) and has previously only been available in limited numbers for local authority and site use in and around Humberside and the North East.

The range extends from a 12 x 8 feet mini spacemaker right up to a spacious 48 x 12 feet model. Easy to operate jack legs mean that siting can be a one-man operation—a firm base of four paving slabs are all that is required for positioning.

Suggested as a portable living unit to provide accommodation at peak periods at holiday camps, motels, etc., is the Portamotel from Cooper Coachworks, Elite Works, Goldington Industrial Estate, Bedford. This measures 18 feet 6 inches long by 10 feet wide and is based on a steel chassis. The Alcan aluminium body is constructed from kits supplied by Cargo Van of Bridgend.

This unit provides two-bedded accommodation with ample storage space, says the maker, and is equipped with a bathroom and flush toilet. Built-in furniture includes a double wardrobe, dressing table, stool and bedroom chair.

Partitioning is movable

AT THE Customs and Excise Offices, Terminal 2, Heathrow Airport, is the first installation of a low-cost partitioning system developed by Clifford Partitioning Company, Champion House, Burlington Road, New Malden, Surrey.

Evolved from the company's Simplicity timber frame partition, changes in design of the post sections enable it to be taken down and re-erected in a fraction of the time needed for traditional timber frame partitioning.

Because partition sections within the module can be independently moved, without affecting other parts of the partitioning, says the company, this quick demountability enables office layouts to be adapted to changing needs rapidly and at minimum cost.

Finishes available include laminates, vinyls, and timber panels. The design is such that different surface finishes can be used on either side of the partitioning to suit the varying decor requirements of adjoining offices.

● COMPUTERS

Software into Saudi

SYSTEMS AND software house Systemsolve (Computer Services) reports that it has nearly doubled its turnover to about £1m during its financial year which ended in September.

The company, which is 40 per cent owned by British Oxygen, has put the Middle East high on its list of new marketing areas: in Saudi Arabia for example, £25,000 of work has been won in conjunction with a sole agent. To keep costs down, however, much of the development work is to be carried out on a mirror image ICL 2903 at Sunbury, the company's main UK location.

Systemsolve is also understood to be on the verge of landing a contract, in conjunction with Datasolve (a British Oxygen company) for production control at a Polish steel pipe production plant. The contract could yield work worth up to £1m.

Expansion in the coming year will involve building new operations in Manchester and Birmingham, and introducing further specialised packages in the "Solve" series, prime member of which so far has been Pensolve, a pension administration system.

The company is at Pyrene House, Sunbury-on-Thames, Middlesex (Sunbury 80333).

Register also gives time checks

DISTINCTIVE IN a new series of electronic cash registers from the Casio organisation is the incorporation of a quartz controlled clock. This is no gimmick just to tell the time, but an integral part of a cash security control system.

New Casio 20 and 60 series cash registers print date and accurate time of transaction on every sales receipt. Tighter security thus achieved provides a positive deterrent against shoplifting, and gives closer control over refunds.

Audit records are similarly accompanied by a time signature for closer supervision of staff and turnover, as well as monitoring actual opening and closing times.

In addition, the clock element in Casio's new cash register range can be set to sound audible alerts at preset times: to initiate cash lifts, banking routines, shift changes, or other special time-dependent activities.

Automatic reporting of customer traffic and turnover at specified intervals can be arranged. A Casio 60 series cash register can, for instance, print hourly reports of useful statistics as a guide to profitable staffing levels, opening hours, and personnel comparisons.

Once set, time and date need no adjustment, not even in leap years or after weekend switch-offs—an internal battery pack supports timing elements and analysis totals when external power is withdrawn.

Casio Electronics, 28, Scrutton Street, London, EC2A 4TY. 01-377 9087.

COMPANY NOTICES

NOTICE OF RATE OF INTEREST

Bank of Tokyo (Curaçao) Holding N.V.

U.S. $30,000,000

Guaranteed Floating Rate Notes due 1993

Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by

The Bank of Tokyo, Ltd.

(Kabushiki Kaisha Tokyo Ginko)

In accordance with the provisions of the Agency Agreement between Bank of Tokyo (Curaçao) Holding N.V., The Bank of Tokyo, Ltd., and Citibank, N.A., dated 16th October, 1978, notice is hereby given that the Rate of Interest for the initial six-month interest period has been fixed at 10⅞% p.a., and that the interest payable on the relevant Interest Payment Date, 18th April, 1979 against Coupon No. 1 will be US $53.08 and has been computed on the actual number of days elapsed (182) divided by 360.

19th October, 1978
By: Citibank, N.A., London, Agent Bank

CITIBANK

AMERICAN MOTORS CORPORATION

9% US Dollar-Bonds due 1989

Notice is hereby given to holders of the above Bonds that the redemption instalment of $500,000, due on January 15, 1979 has been entirely effected by cancellation of Bonds repurchased in the market. There will be no drawing by lot.

Southfield, Michigan
October 1978

AMERICAN MOTORS CORPORATION

NIPPON CHEMICAL CONDENSER CO., LTD. (CDRs)

[illegible]

AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, 13th October, 1978.

JARDINE, MATHESON & CO., LIMITED

NOTICE

[illegible]

By Order of the Board,
F. W. YOUNG,
Company Secretary.

THE HIGHLAND DISTILLERIES COMPANY LIMITED

The Transfer Books of the Company will be closed from 11th November, 1978, until 25th November, 1978, both dates inclusive.

By Order of the Board,
RONALD D. OAKES,
Company Secretary.
106 West Nile Street, Glasgow G1 2QY.

LEGAL NOTICES

No. 002994 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of VAR-IL HOLDINGS LIMITED and in the Matter of THE COMPANIES ACT, 1948.

[illegible]

MORETON PHILLIPS & SON, 5, Charterhouse Square, London EC1M 6EE. Solicitors for the Petitioners.

No. 003172 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of G. ARNOLD & CO. (FINANCE) LIMITED and in the Matter of The Companies Act, 1948.

[illegible]

Wm. F. PRIOR & CO., Temple Bar House, 23/28, Fleet Street, London, E.C.4. Solicitors for the Petitioner.

In the HIGH COURT OF JUSTICE (Chancery Division) Companies Court. In the Matters of:

No. 003208 of 1978 GRAHAM LAYDEN PRODUCTION LIMITED
No. 003209 of 1978 ELLISTON AND HALL LIMITED
No. 003193 of 1978 STEPHEN JONES (ART SERVICES) LIMITED
No. 003191 of 1978 NARCISSUS INVESTMENTS LIMITED

and in the Matter of THE COMPANIES ACT, 1948.

[illegible]

G. F. GLOAK, King's Beam House, 39/41 Mark Lane, London, EC3R 7HE. Solicitor to the Petitioners.

No. 003231 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SOUTHARD LTD. CO LIMITED and in the Matter of The Companies Act, 1948.

[illegible]

JANNERS, 22, Upper Brook Street, London, W1Y 2HD. Solicitors for the Petitioner.

COMPANY NOTICES

JARDINE, MATHESON & CO., LIMITED

NOTICE

[illegible]

By Order of the Board,
F. W. YOUNG,
Company Secretary.
Hong Kong, 18th October, 1978.

PUBLIC NOTICES

WEST YORKSHIRE METROPOLITAN COUNTY COUNCIL

[illegible]

McCann wins Star launch

McCANN-ERICKSON has pulled off yet another coup, winning the £3m launch of Express Newspapers' new national daily, the Daily Star, due to appear next month. Media Buying Services is handling the media side but McCann's will orchestrate a major TV campaign and handle all trade advertising and promotion.

McCann's is almost certainly on the brink of becoming Britain's largest agency. It has won a string of £1m-plus accounts this year, including Kodak and the rest of Tesco, and is now setting its sights on Kentucky Fried Chicken. The fast food operator spent £455,600 a la MEAL in the 12 months to June 30 but is expected to spend considerably more as the fast food market hots up.

● **RUSSELL HOBBS**, the electrical appliance company, has switched its account from Brownes to J. Walter Thompson and is expected to spend £900,000 next year, more than double its 1978 spend. Advertising manager Ray Watts said a fresh approach to the company's advertising and marketing was required. It has considerable expansion plans.

● **BATCHELORS** is moving its Cup-a-Soup business from Davidson Pearce Berry and Spottiswoode to Lintas and will spend £500,000 on the brand on TV next year. Overall Batchelors' billings at DPBS are also expected to rise next year.

● **THE McBRIDE PARTNERSHIP** celebrated its fifth birthday last night by putting itself on the pitching list for a major charity, a paper company, an airline, a publisher and a kitchen product manufacturer, representing £1m worth of business.

● **DENNIS LAY** is joining the Board of Gordon Proctor and Partners as media director. GP and P managing director Laurie Cox-Freeman says the agency's billings should top £10m this year.

Six key pressure points

The advertising business is under concerted attack. MICHAEL THOMPSON-NOEL describes the battle lines.

THE INTROSPECTION of the advertising business knows no bounds, while its suspicions are so well tuned that it invariably cries "rape" before anyone has touched it. It trembles when the consumerists draw near, and shudders fetchingly the moment anyone suggests that its behaviour and affairs be more tightly controlled.

At present, though, its cries are probably justified. Advertising, at the moment, is under concerted attack. According to Roger Underhill of the Advertising Association, there are at least six pressure fronts building up, all of which are inter-related.

The first involves the Department for Prices and Consumer Protection — specifically, the views on advertising of the Prices Minister, Roy Hattersley, as explained in two recent speeches. The second involves the Office of Fair Trading, which by the middle of next month is expected to publish the results of a major survey of advertising, including the work of the Advertising Standards Authority.

Pressure front No. 3 is the EEC Commission, which favours uniform laws for advertising control throughout the Nine, although the current draft directive on the subject is not expected to be converted into law. Pressure front No. 4 is the Price Commission, which has already published two reports partly critical of advertising and is currently at work on the detergents and toothpaste markets. The fifth area of concern is the consumer movement in general. Advertising men still haven't learnt how to live with the consumerists, though the sooner they get used to it the better for us all. The sixth pressure front is what Mr. Underhill calls the pander groups—the endangered species of marketing such as tobacco and alcohol and advertising to children.

Let us take them in reverse order, so to speak. Advertising to children and to other "vulnerable" groups is part of Mr. Hattersley's thesis: we will come to that. As for the advertising of drink and tobacco, it is the advertising industry's belief that as long as sensible controls are exercised, it should be given maximum freedom to advertise responsibly any goods and services which are legally for sale. If it is all right to sell cigarettes it must be all right to advertise them, or so the story goes.

As for the consumerists, the Price Commission, the bureaucrats in Brussels and the Office of Fair Trading, they are all part and parcel of the modern corporate scene: advertisers don't like dealing with them, but deal they must.

Which brings us back to Mr. Hattersley. To represent the Prices Secretary as some sort of ogre would be churlish and unfair—particularly as a close reading of his recent speeches on advertising yields barely a scrap of evidence of a disturbed mind. Nonetheless, his views have shocked the advertising establishment.

His second speech, delivered at a *Campaign* conference last week, was intended as an amplification of the first, so let us look at what he said. First he redescribed the "boundaries of common ground" that already exist. "First, the ASA does a good job, as far as it goes. It is no criticism of its working to say that it does not go far enough, and does not have sufficient power to enforce its recommendations. Second, the current EEC draft directive, although its aims are laudable, does not represent the most effective or desirable method of making progress in the UK. A rigid code of laws . . . is not suitable for the conditions and legislative practices in this country."

Further, no one disputed that advertising was a potent force in the economy as well as in the social life of the community.

But there was another side to the coin. "It can also be asserted with absolute confidence that to every benefit there is a corresponding potential harm. Advertisers can mislead or obscure. They can prop up old products and existing supplies, making it harder for new producers to enter the market and innovate. The advertisements themselves and the products they push can harm the quality of life."

(It is unfortunate for Mr. Hattersley that the Price Commission report he cites in favour of this line of argument, the report on sanitary and other hygiene products, has already had the stuffing knocked out of it. In part, the report claimed there was not enough competition in the sanpro market because the weight of advertising support behind the leading brands was keeping new entrants out. This turns out to be rubbish—two weeks ago, Johnson and Johnson sailed into the sanpro market with a £1m launch of a completely new product.)

What Mr. Hattersley wants is an examination of the need for statutory control of advertising in order to ensure full coverage of all ads and all media. This would support the work of the ASA, and embody sanctions — such as corrective advertising — against offenders.

The Prices Secretary says he hopes he will not have to force solutions on an unwilling industry.

Apart from advertising's economic impact, Mr. Hattersley is also much exercised about the responsibility or otherwise with which it approaches its social role, though on this front he says he has no firm proposals for legislative or even voluntary action.

"In the case of advertisements for children's toys and games there is now, just, some acceptance that it is undesirable to create demands that parents will be unable to meet . . . However, as soon as one moves outside the area of children's products, the proponents of non-intervention insist that adults should be left to make their own assessment of advertisements and to take their own purchasing decisions. I can see the attractions of this line of argument. But let me ask a few questions. Is it right that the susceptibilities of the most vulnerable groups should be exploited? I do not wish to dispute the importance of marketing, but can we always be sure that companies are marketing products which consumers really want, rather than creating unwanted products and then selling them through promotion and advertising campaigns?"

The Advertising Association has asked for an early meeting with Mr. Hattersley. In a letter to the Prices Secretary, Lord Barnetson, the AA's president, has repeated once more the claim that the main strength of the existing system of advertising control, other than on TV, lies in the voluntary code of practice rather than legislation —an independent body rather than the courts.

Nor does the AA accept that corrective advertising is a worthwhile deterrent to the "pirate fringe" — those advertisers who positively set out to flout the code of practice. Above all it doesn't like Mr. Hattersley's claim that advertising sometimes has damaging economic consequences.

One way or another, the AA has its hands full.

A guaranteed profit

BY AUBREY WILSON

ONE OF the most neglected of marketing weapons so far as industrial marketing is concerned is the use of guarantees to establish customer benefits and satisfaction as well as reduce the uncertainty which is inherent in all buying situations — most particularly in the purchasing of services.

The neglect of this weapon is understandable in the sense that very few companies have correctly analysed the cost of guarantee fulfilment and compared it with the values the customers place on guarantees. Where such exercises are carried out, most companies are astonished at the very low cost of guarantee or warranty fulfilment; indeed, if the analysis is taken one step further and post-guarantee service costs analysed, it will most frequently be seen that the coverage and time period of guarantees can profitably be extended by a not inconsiderable margin.

The word profit in this context does not refer only to the margin between costs and revenue, but to the additional revenue which will be generated in return for the expense involved in extending the guarantee. The guarantee is a marketing weapon which is capable of producing a considerable amount of extra business because it is a public affirmation of faith in the product or service.

Most guarantees are historic, not based on any calculation of cost or values to the customer, and many are the vestigial remains of trade association price and condition fixing practices long since made illegal. The guarantee on a television cathode ray tube in the 1950s was 12 months; 30 years later it seems advances in technology only permit manufacturers safely to guarantee them for 24 months.

What faith, it must be asked, can users have in a £700 electric typewriter which carries a manufacturer's guarantee of 90 days?

Because business and indeed consumers have come to accept highly restricted guarantee liability, even under the impact of vociferous consumer demand, these limitations go unremarked. The exception, perhaps, is the motor industry which because of the tightly constrained nature of its original guarantees, which were seen as largely worthless, was forced to remove some of the limitations it had imposed. It says little in quality terms for any piece of capital equipment, consumer or industrial, that has a guarantee period measured in weeks rather than months or years.

Consumer and business experience of guarantees has been so bad that there is a general cynicism concerning them, which is why their use as a marketing weapon is apparently limited. This is not surprising since in the past many guarantees in fact gave the user less protection than they might otherwise have had under various pieces of legislation such as the Supply of Goods (Implied Terms) Act 1973 and Unfair Contract Terms 1977.

Thus to talk in terms of using a discredited marketing weapon as a means of establishing market leadership may appear paradoxical. Yet guarantees have an enormous marketing value if they are used and promoted correctly. Everything now is moving in favour of the guarantee since there is a new element in marketing which cannot be ignored—product liability. If in law the liability is going to exist irrespective of guarantees given, then at the very worst the guarantee might just as well be given on the grounds of making a virtue of necessity!

The first step in using the guarantee is a simple piece of *self-analysis* which has some additional fall out for product quality and reliability control, R & D and user education. Whether a company issues a formal guarantee or not, most companies are deeply concerned with their reputations and would meet a claim for repair or replacement without charge or limited charge if they felt it was justified. Thus most companies have either formally or informally a history of guarantee claims. These claims and the cost of rectification require close analysis, and a number of questions can be asked and answered.

● What pattern exists as to the nature of the claim—does the same part break, does the product fail after certain types of usage, does performance drop below standard under given environmental conditions or with extensive uninterrupted usage? If a pattern exists there is a clear direction for considering product modification, customer training or better customer communication.

● What did it cost the firm to meet the claims?

● Were claims disputed and settlement reached as a compromise?

● What knowledge exists as to customer dissatisfaction with product performance which has not been subject to claim?

● Why, in such circumstances, were claims not made (no knowledge of guarantee, cynicism as to chances of settlement)?

The second stage of analysis requires a study of the cost of rectification in the post-guarantee period. Do different problems arise seasonally, or as the product becomes older? What charges were made to customers for rectification? Did these charges cover the cost, did they show a profit? How did customers react to the charges; did they regard them as fair, cheap or exorbitant?

One company which has successfully used the excellence of its products and services as a marketing weapon is Rentokil. The guarantee on its insulation and damp-proofing, woodworm and dry rot services has recently been extended from 20 years to 30 and the guarantee on the work done is unequivocal—complete replacement or re-service on any justified claim. Indeed, so successful is the guarantee policy that many estate agents now highlight in their prospectuses: "Benefits of Rentokil guarantee."

Aubrey Wilson is chairman of Industrial Market Research.

LOMBARD

What the bankers should be told

BY PETER RIDDELL

THIS COLUMN could have been *subtitled what Mr. Healey and* Mr. Richardson should say but will not. But since I have no more idea than anyone else outside the corridors of Great George Street and Threadneedle Street what the Chancellor and Governor will say this evening at the annual Lord Mayor's Banquet for Bankers, I will stick to a few modest proposals which their speech writers could perhaps still insert.

The annual banquet has in the past been a more interesting and significant occasion than legend *might suggest. For example, two* years ago on the eve of the International Monetary Fund's *momentous visit to London,* Mr. Richardson for the first time gave his firm open support to *publicly announced monetary* targets, which have played such a large and controversial part in our life ever since then.

Awkward time

Last year, as Britain faced the short-lived problems of success *and foreign currency flowed in* like a tidal wave, Mr. Healey took the opportunity to set the *scene for his tax-cutting mini-*budget the following week.

The problems of success are *rather less apparent now, to say* the least, and the City has a long list of doubts and questions, *notably on pay and monetary* policy and on the proposed European Monetary System. No one would expect new measures or policy initiatives to be announced in the speeches. Indeed the dinner in some respects comes at an awkward time since the outcome of the EEC monetary negotiations is still unclear, the likely going rate for wage settlements is uncertain and the review of monetary targets is unlikely to be completed for two or three weks. But both the Chancellor and the Governor have the opportunity to provide at least partial reassurance on some of the points about which the markets are so concerned.

The Governor, for example, could break his silence on the European monetary proposals. In a speech earlier this year, Mr. Richardson highlighted the growing doubts about the effects of the regime of floating exchange rates, but he has said nothing publicly on the current plan. He should now do so—perhaps on the lines of his comments on montary targets two years ago. Indeed it is arguable that the Governor has not only the right but the duty to speak out in view of the Bank's special role in relation to sterling and monetary policy. Perhaps the Bank could follow this with the publication of part of its large amount of internal work on the implications *for domestic policy of* joining the new system, the Commons Expenditure Committee might also find it useful in its inquiry into the subject to invite senior Bank officials as well as Treasury civil servants to give evidence.

Mr. Healey's speech will no doubt be watched for what he says both on the currency scheme and on pay. But this is unlikely to be very substantial, *apart from a half-term report on* the first (what we discussed in Bonn) and exhortation on the *second. Although the Chancellor* may be unwilling to pronounce on the level of the monetary target for the second half of the current financial year, he could do something even more useful by shifting attention away from the short term.

It is arguable that one of the main problems of the past few years has been the absence of a consistent set of medium-term fiscal and monetary goals, apart from those agreed in the IMF Letter of Intent at the end of 1976. Yet it is precisely the absence of such medium-term goals that has so worried the City, causing the regular ups-*and-downs of the gilt-edged mar-*ket, and has incidentally made life much more difficult for Mr. Healey.

Single figure

Mr Healey could say that whatever happens in the EEC monetary talks and to pay settlements his objective will still be to have monetary and fiscal policies consistent with a single-figure rate of price inflation, declining steadily year by year. As a first step, he could confirm that the Cabinet has decided to keep the growth of public spending within the expected expansion of overall output and announce that the public-sector borrowing requirement for the financial year 1979-80 will be lower in current prices than the likely outcome of £8.5bn this year. This implies a drop in the share of public-sector borrowing in Gross Domestic Product.

Moreover, Mr. Healey could state that the upper limit for the growth of sterling M3 in 1979-80 will be no more than 10 per cent. None of this deals with the more immediate City worries about the possible need for a further squeeze and a rise in short-term money market interest rates to be reflected in a higher Minimum Lending Rate. But reassurance about medium-term intentions could ease some of the current worries and calm the markets, which is, I suppose what a bankers' dinner should be all about.

The evils of a discredited currency

BUSINESS AND THE COURTS

BY JUSTINIAN

THE HOUSE of Lords three years ago (to be precise, on November 5, 1975)* reversed a rule of law that had stood for 350 years and decided that henceforth an English court *was entitled to give judgment* for a sum of money expressed in a foreign currency. It cannot be said that at the time there was no forewarning of some of the possible implications of such a startling departure from an established rule. Lord Simon of Glaisdale, who delivered a powerful dissent to the Lords' decision, warned that the instability of the pound sterling in recent years was no good reason for a departure from the established rule unless and until Parliament decreed the change, *after considered advice by a* departmental committee on all its ramifications.

He was responding to the very basis of the change as enunciated in the reasons given by the courts. Lord Denning, in the Court of Appeal, had said *that sterling was once a stable* currency "which had no equal." But times had changed: "Sterling now floats in the wind. It changes like a weather-cock with every gust that blows. So do other currencies": to which metaphor Lord Simon retorted: "Even if sterling *veers to every passing breeze,* is that any reason why the law should do so? Is it not one of the functions of law in society to give a gyroscopic stability to the ship of state as the weather shifts and the seas mount?"

Whatever justification there may be for *allowing foreigners* to account in their own currencies when coming before the English courts to recover money owed to them by English traders, the same cannot be so readily appreciated in the case *of* domestic transactions involving only English parties and English property. But that is what is happening with increasing frequency. A prime example is provided in the judgment of Mr. Justice *Browne-Wilkinson when in a* case† last year he upheld a term of a mortgage that linked the repayment and *interest* payment obligations to the current value of the Swiss franc. In the particular circumstances, and despite some partial repayment on account over the first ten years, the mortgagor had to repay nearly 250 per cent of *what he first borrowed.*

The argument between the parties was whether the index-linked money obligation was contrary to public policy. That it might be was based on a well-known decision of 1956‡ when the Grant of Approval disallowed a gold clause in a *long lease on the ground that* a man who stipulated for a pound *must* take a pound when payment is made, whatever the pound is worth at the time. Sterling was then still regarded *by the courts in domestic* contracts as the constant unit of value by which everything *else* was measured. Prices of commodities may fluctuate and currencies vary, but sterling had to remain firm.

It is instructive to learn why the judge felt free, 20 years after a decision that appeared to bind him, to decline to follow the earlier *decision that had* ignored the international value of the pound. In the earlier *decision it had been said that* any other decision would lead to the intolerable discredit of sterling. But the evil of a discredited currency flows not only from indexing by reference to the price of gold or the Swiss franc, but also from any other form of indexing, such as an obligation quantified by reference to the cost of living index; and no one could say that that *would be contrary to public* policy. The evil in fact lies in the revalorisation of the pound sterling by reference to any yardstick, not in the yardstick itself. Hence a foreign currency is as *good or bad* as any other monetary yardstick.

Moreover, a large number of obligations expressed in pounds sterling are nowadays varied by reference to an external yardstick. Most significantly, Parliament has recently authorised the linking of certain pensions to the cost of living. It could hardly be said that Parliament had done something contrary to public policy. A major factor in the courts in the past leaning against *index-linked* money obligations was that the judges thought that such matters were a cause, *and not just* a symptom, of inflation. Economists, however, are far from being in agreement that indexing has a deleterious effect in promoting inflation. And in the absence of any *consensus* among economists; who are the courts to determine the issue? It is for Parliament, with all its facilities for weighing the complex issues, to make a *policy decision of this* kind.

But there is one overriding reason why the courts should leave it to contracting parties to *decide* how they are to deal with their obligations in times of inflation. In an economy where *inflation* is persistent *there* will be few inducements for tenders to make long-term loans (or *even relatively short-term loans* when inflation is rampant) expressed in a currency the value of which *is* being eroded apace during the period of the loan. Unless lenders can be assured that they will be repaid the real value of the money advanced, and not merely a sum of the nominal amount but in devalued currency, the sources of loan capital would dry up very fast. That much has been acknow-*ledged by courts abroad.* After 1956 the Cour de Cassation in France reversed its earlier policy and allowed indexed-linked obligations even in domestic contracts. Courts of other countries have done likewise.

The moral of this legal tale is that you can choose whatever currency you judge may give you the best results, without *regard to any genuine* connection with that currency. And that does not go just for mortgages. *Landlords have been* using counter-inflationary tactics by including rent review clauses at stages *in the life of* their leases. An alternative to a review would be to insert an *index-linked* obligation to pay rent. During periods when foreign currency seems a better investment than property, a rent indexed in this way could be the answer to a landlord's prayer. The countervailing disadvantage to the tenant would seem to be that a freewheeling indexing without real connection between the index and the *subject matter* of the contract might be unsatisfactory. Contracts of employment might be *another area for the applica-*tion of index-linked obligations.

The warning given by Lord Simon of Glaisdale *three years* ago was apt. Parliament needs to devote some thought to whether index-linking for all kinds of contractual obligations should be allowed.

* *Miliangos v George Frank (Textiles) Ltd.* (1976) A.C.443.
† *Multiservice Bookbinding Ltd and other v Marden* (1978) 2 W.L.R. 535.
‡ *Treseder-Griffin v Co-operative Insurance Society Ltd* (1956) 2 Q.B. 127.

Yearling prices soar at Newmarket

RACING

BY DOMINIC WIGAN

AS ANTICIPATED, Tattersall's Houghton yearling sales yesterday maintained the record-breaking momentum established on Tuesday. Prices of around 40,000 guineas were commonplace.

By the end of the morning session an average approaching 20,000 guineas per lot for the week looked more than likely. Well-bred yearlings such as Lot 134 Nonoalco-Limuru (74,000 *guineas) and sons of Mansingh* and Mill Reef were changing hands at heady prices.

It is a sobering thought for anyone taking the plunge in this frenetic market that not one of the six who realised six-figure sums at this sale a year ago has yet to race. It is worth pointing out that although those six, costing nearly £1m, have yet to repay even their feeding costs, last year's sale included such bargains as Devon Ditty (7,800 guineas) and R. B. Chesne (58,000 guineas).

The 1976 sale saw Fair Salinia (13,000 guineas), Enstone Spark (3,400 guineas) and Roland Gardens (3,200 guineas) changing hands.

The one most likely to top the sales seems to be Lot 538 which is almost at the end of proceedings. This is a handsome French-bred colt, named Mastermind. By Riverman, arguably the most sought-after stallion in Europe, this colt is out of the Dewhurst winner, Torbella, whose Sir Gaylord yearling fetched 102,000 guineas at the corresponding *sale a year ago.*

On today's racing front, by far the most interesting events on an *eight-race Newmarket card,* including two 28-runner fields for the divided maiden race, is the *Challenge Stakes. The 12 due to* line up for this Group 3 event over the seven furlongs of the Dewhurst course, include Stradavinsky, Persian Bold and Camden Town.

My idea of the likely outcome is a victory for Peter Walwyn's Camden Town, who may well have been in need of the outing. He recently returned to the fray after a long lay-off. If, as I anticipate, he is back to the form which saw him swooping inside the distance to blind his rivals for speed at the end of Royal Ascot's Jersey Stakes, the good-looking Camden Town should outpace Ireland's Stradavinsky.

Turning to the three juvenile events, Fulke Johnson Houghton, enjoying the best season of his career, could land both divisions of the Chesterton Maiden Stakes through Ivatan and Boys Division. Newcomer Borderline may be worth a chance in the Somerville Tattersall Stakes.

NEWMARKET

1.30—Ivatan**
2.00—Korovine
2.30—Borderline
3.00—Camden Town***
3.30—Persian Sapphire
4.05—Hikari
4.35—Boys Division*

TV/Radio

† Indicates programme in black and white

BBC 1

9.41 am For Schools, Colleges. 12.35 pm On the Move 12.45 News. 1.00 Pebble Mill. 1.45 Bagpuss. 2.00 *You and Me.* 2.14 For Schools, Colleges. 3.00 Tennis: The BMW Challenge. 3.53 Regional News for *England (except London).* 3.55 Play School (as BBC2 11.00 am). 4.20 Yogi Bear. 4.25 Jackanory. 4.40 Rentaghost. 5.00 John Craven's Newsround. 5.10 Blue Peter.

5.40 News (London and South-East only).
5.55 Nationwide.
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
8.00 The Good Life.
8.30 Mastermind.
9.00 News.
9.25 Living Room.
10.20 Most Wanted.
11.10 Tonight.
11.50 Weather. *Regional News.*

All Regions as BBC1 except at the following times:

Wales—2.14-2.34 pm I Ysgolion. 5.55-6.20 Wales Today. 6.55-7.20 Heddiw. 9.25-10.20 Dallas. 11.50 News and Weather for Wales.

Scotland—9.41-10.1 and 11.30-11.50 am For Schools. 5.55-6.20 pm Reporting Scotland. 11.50 News and Weather for Scotland.

Northern Ireland — 11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. *11.10 The Fall and Rise of* Reginald Perrin. 11.40 Jack High. 12.10 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School.
2.00 and 2.30 pm Tennis: The BMW Challenge.
4.55 Open University.
7.00 News on 2 Headlines.
7.05 When the Boat Comes In.
7.55 News on 2.
8.00 One Man and his Dog.
†8.30 Midweek Cinema: "Citizen Kane" starring Orson Welles.
10.25 International Motor Show, 78.
10.50 Tennis: BMW Challenge (highlights).
11.20 The British Connection?
11.45 Late News on 2.
12.00 Closedown (reading).

LONDON

9.30 am Schools Programmes. 12.00 Tupper's Tales. 12.10 pm *Pipkins. 12.30 International Golf.* 1.00 News plus FT Index 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon. 2.25 Racing from Newmarket, and Golf. 4.20 Children's Film Matinee: "The Clown and the Kids."

5.45 News.
6.00 Thames at 6
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 George and Mildred.
8.30 TV Eye.
9.00 The Sweeney.
10.00 News.
10.30 Inside Business.
11.00 Rafferty.
12.00 What the Papers Say.
12.15 am Close: A Pre-Raphaelite painting accompanied by the music of Brahms.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.00 Women Only. 4.20 Lassie. 4.45 The Flintstones. 5.15 Emmerdale Farm. 6.30 About Anglia. 6.20 Arena. 7.00 *The Rolf Harris Show.* 7.30 Botanic Man. 10.30 Cars. 11.00 TV Movie: "The Hatfields and the McCoys." 12.25 am The Living Word.

ATV

1.20 pm ATV Newsdesk. 4.20 The ATV Thursday Picture Show: "Gulliver's Travels" (featured with cartoon). 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 Format V: Cars, Cars, Cars ... Why? 11.00 Movie Premiere: "Walk A Crooked Path."

BORDER

1.20 pm Border News. 4.20 Thursday Film: "Tarzan and the Trappers" starring Gordon Scott. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 Look Who's Talking. 11.00 Chopper Squad. 11.55 Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 4.20 The Little House on the Prairie. 5.15 Stars on Ice. 6.00 Channel News. 6.10 Lassie. 7.00 The Bionic Woman. 10.28 Channel Late News. 10.32 Sandokan. 11.00 Movie Premiere: "She Lives." 12.20 am News and weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 4.20 The Little House on the Prairie. 5.15 The Bob Newhart Show. 6.00 Grampian Today. 7.00 The Bionic Woman. 10.30 Police Newsroom. 10.35 Sportscall. 11.15 Reflections. 11.20 Grampian Late Night Headlines. 11.25 The Practice.

GRANADA

1.20 pm This Is Your Right. 4.20 Sold Out. 4.45 Westway. 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 10.30 What's On. 11.00 What The Papers Say. 11.20 Barnaby Jones.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.20 Take A Bow. 4.45 The Flintstones. 5.15 Job-Line Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Happy Days. 7.00 Bionic Woman. 10.35 Countryside. 11.05 *The Thursday Film: "The Strange and Deadly Occurrence."*

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion y Dydd. 4.20-4.45 Seren Wib. 5.15-5.20 Cartwnlinie. 6.00-6.15 Y Dydd. 6.30-7.00 Sports Arena. 11.05 Two Girls and a Millionaire. 12.05-12.35 am Get Some In.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Sport West.

SCOTTISH

1.25 pm News and road report. 2.00 Women Only. 4.20 Tarzan. 5.15 Batfink. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Botanic Man. 7.35 The Rag Trade. 10.30 The Law Centre. 11.30 Late Call. 11.35 Canadian Celebrity Concert—Pat Boone.

SOUTHERN

1.20 pm Southern News. 2.00 Women Only. 4.20 Lassie. 4.45 Beachcombers. 5.15 The Undersea Adventures of Captain Nemo. *5.20 Crossroads. 6.00 Day by Day.* 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 Southern News Extra. 10.35 Your Westminster. *11.05 Danger in Paradise.* 12.05 am What The Papers Say.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.00 Women Only. 4.20 Thursday Matinee: "The Family Nobody Wanted" starring Shirley Jones. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 About Britain. 11.00 Pro-Celebrity Snooker. 11.45 Epilogue.

ULSTER

1.20 *pm* Lunchtime. 4.18 Ulster News Headlines. 4.20 Beachcombers. 4.45 Lassie. 5.15 Cartoon. 5.20 Crossroads. 6.00 Reports. 6.25 Police Six. 6.35 Happy Days. 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 Counterpoint. 11.00 The Practice. 11.25 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.20 The Little House on the Prairie. 5.15 Stars *On Ice.* 6.00 Westward Diary. 7.00 The Bionic Woman. 10.28 Westward Late News. 10.32 Westward Report. 11.00 Movie Premiere: "She Lives" starring Desi Arnaz Jr. 12.20 am Faith for Life.

YORKSHIRE

1.20 pm Calendar News. 4.20 Jabberjaw. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 Calendar Special. 11.15 In Concert.

RADIO 1

247m

RADIO 2

1,500m and VHF

RADIO 3

464m, Stereo & VHF

RADIO 4

434m, 330m, 285m and VHF

BBC Radio London

206m and 94.9 VHF

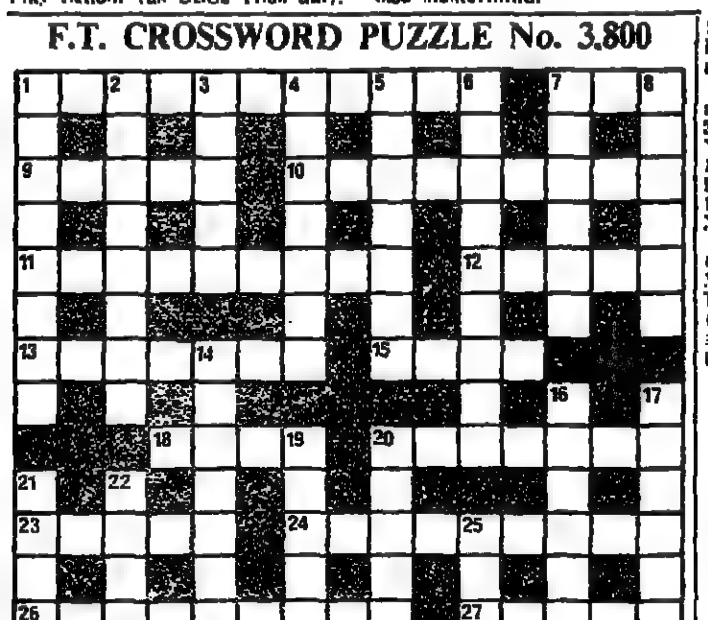
London Broadcasting

261m and 97.3 VHF

Capital Radio

194m and 95.8 VHF

F.T. CROSSWORD PUZZLE No. 3,800



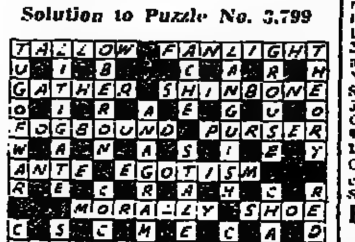
ACROSS

1 The fat part of town council? (11)
7 and 28 Sailor with brown Scottish cloth (6)
9 Assumed an attitude and puzzled (5)
10 Being outside badger's home could be obsessive (9)
11 I get crate modified but it could be a fag (9)
12 Bird to steal in (5)
13 One who walks with merchant round the east (7)
15 Sound the horn to go forwards and backwards (4)
18 You and me and the newsman are by no means in mint condition (4)
20 Implore to take south-easterly direction in wood (7)
23 Rouse oneself for a festival (5)
24 Guilt about the French doctor and bird (9)
26 Supply scripture and be economical (9)
27 Indian gets a thousand in the end (5)
28 See 7 across
29 Ancestor having broken cane shows clemency (11)

DOWN

1 Ability to outdo a large town (8)
2 Calmly submitted and left office (8)
3 Arrange to command class (5)
4 A mixed tribe with monarch as mediator (7)
5 Examine a beetle perhaps with soft inside (7)
6 No riotous upheaval could be famous (9)
7 Attempt to get about one pound for a hat (6)
8 Speaking with anger, soldier made telephone call outside (6)
14 Atheism or just incredulity (9)
16 He gets old railway line to supply staff and coxswain (8)
17 Unblemished general situation or well-meant story (5, 3)
19 Note speedster initially got into gear and turned corner (4-5)
20 Railways going to race in French island could be frail (7)
21 Reprimand favourite following vehicle (6)
22 Convict with nothing on in pool (6)
25 Learner dined with ring-leader afterwards (5)

Solution to Puzzle No. 3,799



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

ART GALLERIES

Leonard Burt

Simon Callow

Half Moon

Arturo Ui

The Resistible Rise of Arturo Ui proved the perfect vehicle 11 years ago for Leonard Rossiter, whose unforgettable performance established the petty gangster from the Bronx as a Hitlerian automaton exerting as much pull on the small-time Chicago racketeers as on the sympathies of his Frankenstein creator. At the Half Moon, Simon Callow goes even further than Mr. Rossiter in investigating the puppet maniac's complexity of impulse.

This 'ere Ui is a Neanderthal grotesque with a false nose, crumpled posture, Groucho slouch and nervous recourse to crummy oratory. It is as if Mr. Callow is forever engaged in measuring the impact of his own voice, varying his delivery for unpremeditated effect and charmed by the results. We first see him, after a couple of high-speed false entrances, skulking below stairs, carried to a show-down with Old Dogsborough (Hindenburg) on the back, quite literally, of the persistent Roma (Roehm). His consequent activity is as much a study in narcissism as a study in tyranny, an interpretation that lends the glorious scene of tutelage by the old actor in the manners of public deportment a central, reverberative force.

The physical self-consciousness underlines the Shakespearian parallel with Richard Crookback, a reading that pays off richly when we come to the wooing of Dullfeet's (Dollfuss) widow with the aim of joining the interests of the Cauliflower trade (Germany) with those of the neighbouring town of Cicero (Austria).

I bracket the Brechtian analogies only to highlight the extent to which much of the strip-cartoon has dated. The director, Robert Walker, is surely right to play up the gangster spectacle of the play, achieving a stunning evocation of the St. Valentine's Day Massacre with the treacherous murder of Roma and a band of pin-striped hoodlums lined up against a side wall.

Iona McLeish's effective design, with its grilled platforms, towering staircase and steely carwalks doubles as a sinking ship of state and an eerie garage, its use of perspective and space both atmospherically exciting and reminiscent of a previous Half Moon Brecht success with *St. Joan of the Stockyards*. If the political urgency of the play has waned—despite the epilogue's warning that the bitch that bore Ui is on heat again—there is much to relish not just in Mr. Callow's memorable occupation of the chief role but also in the speed and vivacity of the supporting company.

MICHAEL COVENEY

Bishopsgate Hall

Nash Ensemble

by NICHOLAS KENYON

Michael Blake Watkins' *The Spirit of the Universe*, commissioned by the City Music Society for performance by Jane Manning and the Nash Ensemble at Goldsmiths Hall on October 10, was given an almost immediate second performance by the same artists in the Society's lunchtime concert on Tuesday.

The spirit of Blake Watkins' universe is no vague, meandering, half-imagined ghost, but a vital creation, full of powerful activity. Wordsworth's "everlasting motion" and Longfellow's "rapid and rushing river of Time" provide the climactic vision of the work, which is in four sections separated by three instrumental interludes. The solo soprano sings a kaleidoscopic sequence of texts, which take us from Shelley's intimations of some unseen Power to Byron's pleasure in the pathless woods, before Shelley's spirits draw back "the figured curtain of sleep" to prepare us for the final outburst.

It is an over-ambitious programme, yet the sparkling clarity of Blake Watkins' writing, his keen ear for instrumental textures which really do suggest something of the words' possibilities, and above all his yearning vocal lines (which one recalls as perpetually rising, never descending) all result in a work of considerable strength. A couple of potent phrases, one crushed between a major and minor second, the other a vigorous 12-note line which burns itself out, are used and varied to great effect. The rigid scheme of the interludes (for each wind instrument in turn, each with a central solo cadenza for a string instrument) works against the developing pulse of the music; but all the sounds in these sections are vividly imagined.

The performance was beyond reproach: would that all first performances could be followed by a second as confident and as strongly profiled as this. Antony Pay was the clarinettist; flautist and oboist had both played with the string trio earlier in the concert—Judith Pearce subdued and serious in Mozart's unrewarding A major Flute Quartet, and Robin Miller, keen-edged and atmospheric in Britten's early Phantasy Quartet.

Record Review

Three Tragic Heroines

by ELIZABETH FORBES

Cilea Adriana Lecouvreur. Scotto, Obraztsova, Domingo, Andreoli, Milnes, Luccardi/Ambrosian Opera Chorus/Philharmonia/Levine. CBS 79310 (3 discs). £12.49

Puccini Madama Butterfly. Scotto, Knight, Domingo, Andreoli, Wixell, Summers/Ambrosian Opera Chorus/Philharmonia/Maazel. CBS 79313 (3 discs). £13.49.

Strauss Salome. Behrens, Baltsa, Angervo, Ochman, Böhm, Van Dam/Vienna Philharmonic/Karajan. EMI SLS 5139 (2 discs). Cassette TC-SLS 5139. £8.75

The three operas listed above were all first performed within a space of three years—*Adriana Lecouvreur* in 1902, *Madama Butterfly* in 1904 and *Salome* in 1905—they are all adaptations of plays originally written in another language: Italian from French, Italian from English and German from French. In addition, each relies heavily on the soprano singing the title role and the two Italian works feature the same star and the same tenor. Playing the recordings through one after the other, however, the listener is more aware of the differences between the operas than of their similarities.

Cilea, the youngest of the three composers—he was only 36 when Adriana was produced at the Teatro Lirico, Milan—uses a musical language more conventional than that employed by the other two; he is less successful than they are in stamping his individuality on the basic material. Where Puccini and his librettists, Giacosa and Illica, transcend and transform Belasco's play, Cilea and Colautti remain enmeshed in the chains of the Scribe/Legouvé drama that even in 1902 must have seemed singularly old-fashioned. Strauss, working directly on Hedwig Lachmann's German translation of Wilde's tragedy, superimposed his own powerful personality on text as well as score.

In the opera house *Adriana Lecouvreur* can still prove effective with a singing-actress such as Magda Olivero as the protagonist. On disc Renata Tebaldi (Decca) made out a convincing case for the defence. Renata Scotto, on the new CBS recording, is not quite such a strong advocate for Cilea's opera. She sings, as always, with intelligence and commitment; the voice is in good shape and some of her softer tones are bewitching; but there is a self-consciousness about her singing out of character for Adriana, whose natural manner should contrast with the artificial life of the theatre and the equally affected world of Prince and Princess de Bouillon. The recitation from *Phèdre* is well-calculated, while "Poveri fiori," exquisitely phrased, and the death scene have a passion hitherto missing from the performance.

As Maurizio—Maurice de Saxe—Placido Domingo also gives of his best in the last act; earlier his singing is elegant but not very deeply characterised. Elena Obraztsova belts out the Princess de Bouillon's music with exciting if not always appropriate abandon. Sherrill Milnes makes a fine Michonnet lavishing generous tone on the stage manager's graphic "Ecco il monologo." The minor characters, whose music is frequently of particular interest, are strongly cast, with Florindo Andreoli striking as the Abbe de Chazeuil and Giancarlo Luccardi an amusingly pompous Prince. James Levine shapes the score firmly—ensembles are excellent throughout—and draws warm-hearted playing from the Philharmonia.

Listening to Puccini immediately after Cilea reminds one forcibly of the unbridgeable gap between talent and genius. The CBS *Butterfly*, despite horrific tales of difficulties during recording, with Act II made in February and most of the rest of the opera captured in June, is a worthy tribute to its composer's dramatic as well as musical genius. Domingo, whose contractual troubles caused the delays mentioned above, is particularly successful at catching the two-faced character of Pinkerton, with caddishness and charm equally in evidence. Renata Scotto has, of course, recorded Butterfly before, on the old HMV set conducted by Barbirolli. Her performance has been entirely rethought and offers a more positive approach to the role than did the earlier version.

Spontaneity is not, however, sacrificed to this fuller understanding, and Cio-Cio-San evolves with a natural inevitability from girlish innocence in the opening scenes to tragic maturity in the last act. Scotto sings Butterfly's farewell to her child with searing intensity, turning even the odd squeezed top note or patch of harsh tone to superb dramatic effect. Ingvar Wixell displays little polish as Sharpless, while Gillian Knight's sympathetic Suzuki sounds unidiomatic, but Florindo Andreoli is an outstandingly good Goro, and Malcolm King (Bonze), Jonathan Summers (Yamadori) and Ann Murray (Kate Pinkerton) are also excellent. Lorin Maazel's conducting, though on the robust side, does not eschew delicacy altogether and the Philharmonia plays even better for him than for Levine.

The EMI *Salome*, recorded in eight days during May, 1977, at Vienna, with technical assistance from Decca, ran into no complications such as beset the CBS *Butterfly*. Herbert von Karajan's opera recordings sometimes sound contrived in their balance between orchestra and voices, but *Salome*, despite a very wide dynamic range and the opulent playing of the Vienna Philharmonic, has a convincingly natural equilibrium. Hildegard Behrens, as anyone who has heard her Salome in the theatre knows, needs no artificial boost for her voice to stem the tide of Strauss's orchestration. She sounds amazingly young, an adolescent suddenly faced with the imperative demands of her own temperament who has no experience in dealing with such emotions.

José van Dam's Jokanaan also gives an impression of youth, a priggish, intolerant youth whose sincerity of belief does not excuse his self-righteousness. Karl-Walter Böhm makes a powerful, not over-eccentric Herod while Agnes Baltsa characterises Herodias without grotesquerie or caracature. Wieslaw Ochman is a lyrical Narraboth and Heljä Angervo a rich-voiced Page; Gerd Neinstedt (First Soldier), Jules Bastin (First Nazarene), Gerhard Unger and Erich Kunz (Fourth and Fifth Jew respectively) add distinction to the performance. In Salome's final monologue over the severed head of Jokanaan, soprano, conductor, orchestra, engineers and—especially—the composer, combine to transmute base metal into gold.

Renata Scotto

The Books Page will appear on Saturday from now on, apart from next week when Business Books will be reviewed

Festival Hall/Radio 3

Rodrigo's Flute Concerto

More than a dozen available recordings of Joaquin Rodrigo's Guitar Concerto (*Concierto de Aranjuez*) indicate a popularity perhaps unmatched by any concerto for any instrument by any other living composer. At home I refreshed the memory with Julian Bream's 1965 recording before setting off to hear the new concerto which Rodrigo has written for the flute of James Galway.

The Guitar Concerto dates from 1939. Its traditional Spanish flavour, with catchy, strong-rhythmed melodies, reflects the link between the composer's motherland and the chosen solo instrument. Now, nearing the age of 76, the composer must surely have been tempted by the possibility of devising something of equal catchiness, equal public success. No one better to assist that aim than James Galway, who has so remarkably bridged the gap between the cheerfully middle-brow and the finest discriminatory taste.

The new concerto bears the Spanish title of *Concierto Pastoral*. But it is only the central slow movement which asserts the affinity of the flute for the peaceful, rustic life imagined by the poets. The first movement (ten minutes out of a total of about 27) displays at rather too great length a series of energetic, rapid figurations, in a neo-classical way which might have come from Poulenc. The last movement is vigorous and dance-like, a not particularly rural *gigue*, and there is nowhere an obviously Spanish touch.

The central slow movement is the pearl of the piece and may well be picked to stand up on its own. Its meditative fancy never becomes maudlin. It includes a solo cadenza which Mr. Galway concluded with one of the most seductively beautiful trills I have ever heard from the flute or any other instrument (or voice). Throughout the work, his evenness of articulation and unfailing sense of phrasing showed the superb artist. But the concerto as a whole (with an accompaniment of oboe, clarinet, horn, trumpet, and strings) adds up to a little less than hoped for.

The Philharmonia Orchestra was alertly guided by Eduardo Mata (who, as a Mexican, had previously given a presumably authentic performance of Copland's *El Salón Mexico*). Mr. Rodrigo himself, who has been blind since the age of three, was then led on to the platform to share the applause. An encore from Mr. Galway and the orchestra was an arrangement of the last movement of Rodrigo's *Fantasia for a gentleman* (originally with guitar soloist).

ARTHUR JACOBS

Wigmore Hall

Hakan Hagegard

by MAX LOPPERT

The young Swedish baritone, already a favourite Glyndebourne performer, and more generally familiar as Papageno in Bergman's *Magic Flute* film, gave his first London recital on Tuesday. It was a great success, a radiant, glowing exhibition of an artist in whom gently poetic platform presence, truthful interpretative instincts, and pure, beautiful singing seem all to flow from the same inner source.

His art, though it knows subtlety, intelligence, and decisive musicianship, is based first and foremost on the justness of his singing. There must be something about the Swedish language that encourages in so many of its native singers that specially soft, liquid way of uttering notes and — simultaneosly, seamlessly — joining them. Like Bjoerling before him, and like (at her best) Catarina Ligendza (to give just two examples), Mr. Hagegard has an apparently effortless command of legato; he shapes smooth long phrases, lets them pour out, as though it were the easiest and most natural thing in the world. At the louder dynamic levels, a touch of metal enters the timbre; that, too, seems typically Swedish.

His programme began with Mozart's discarded aria for Guglielmo, "Rivolgete a lui lo sguardo" (which Mr. Hagegard revived in this year's Glyndebourne *Cosi*). It was a deft, very attractive start, lightly turned; but it needed the first of a Schubert group of five songs, "An die Leier," with its alternation of declamatory and lyrical phrases, to display the full beauty of the singing. There was no trace of exaggeration in the way interpretation points were made, no brilliant searchlight on special words, no cosmetic applications of nuance and shading. And no threat of dullness or sameness, either, the tones of the voice, and their precise adjustment, released unerringly the dramatic spring of each song. The Schubert group showed this; so did an eloquently underplayed account of Ravel's three Don Quixote songs, their comedy dry and delicate, their lyricism clearly pointed.

The programme was very interesting, and rather too heavily weighted towards sobriety in the second half. There were no song texts in the programme; what on earth was the average non-Scandinavian member of the audience to make of Rangstrøm's five *King Erik Songs*, apart from noting their impressive sombreness of colouring? Frank Martin's Six Monologues from *Jedermann*, though more frequently given, are even more demanding of audience concentration, and without the words that was unlikely. (It was here that the pianist, Thomas Schuback, always a diligent partner, was at his most vivid.) But for audience patience there were rewards: a Final Brahms group, with a tender and poised "Wie bist du meine Konigin" specially notable in it; and two remarkable encores—"Erlkonig" a miraculous drawing out of high drama through precise vocalisation, and Caccini's "Amarili," superbly pure in line and fresh in tone. Memorable evening.

UNESCO grant for National Gallery

Grants to cultural undertakings around the world worth a total of $237,000 have been approved by the executive committee of Unesco's International Fund for the Promotion of Culture. One of the grants is for a pilot project for a centralised information system on works of art at the National Gallery in London.

Leonard Burt

Bill Wallis

Young Vic

Richard III

It is desirable that there should always be Shakespeare available in London, if not from one of the big companies then from some other company that need not necessarily aim so high. So the Young Vic's current season of three plays in repertory, which they have labelled Action Man and which includes *Richard III*, *Hamlet*, and *The Tempest*, is welcome.

By dressing his production in modern dress, and including such conveniences as the telephone, the bicycle, the car and the revolver, Michael Bogdanov means no doubt to show that the principles which drive the characters in the play are as valid today as they were in Richard's time. He puts the players on a plain octagonal stage with the audience all round; whether it is the ordinariness of the clothes or the deliberately twentieth-century style of speech, in which poetry has to give way to drift, I don't know, but with one or two exceptions everyone seemed identical to me. There is so little acting that we might as well be at a reading.

The characters indeed seem deliberately lifted out of their proper spheres. Bill Wallis, a little plump Richard with a lame leg and a useless right arm, dressed usually in a dark pin-striped suit, contrives to emphasise the influence he has over his colleagues—you can hardly think of them as a court—by his sardonic superiority. It is an interesting performance, but of a company director, not a king, and I suppose this may be part of Mr. Bogdanov's argument.

Even so, I cannot go along with a Lieutenant of the Tower dressed as a police constable, or with Catesby and Ratcliffe wearing the uniforms of a captain and a lieutenant respectively, especially when there is a red-capped brigadier in the field (the Duke of Norfolk). I don't think the proper degree of authority is represented when courtiers speak to the queen with their hands in their pockets, or keep their hats on as they cry "Long live King Richard," under that pretender's very eyes.

Moreover, although the simplicity of the style, which in principle I like, should allow playing as fast as say the RSC's in *Henry VI*, it goes very slowly here and the play lasts well over three hours — too much with such a colourless spectacle on the stage. Yet I still resented some of the cuts — the splendid antiphonies of the queens and the Duchess of York in Act 4 particularly, as Linda Polan, who makes old Queen Margaret a figure of much dignity, is thus deprived of her best music. There is little in the way of battle, though the dark staff-conferences in the corners of the stage, with the threatening sound of armoured fighting vehicles off, build up well. The AFVs make a more apt accompaniment to the action than the choruses from Handel's *Messiah* that break out unexpectedly now and then — the sudden on-stage execution of Hastings by Ratcliffe and Catesby (not Lovel), for instance, is followed by "And the glory of the Lord."

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BP and the Government

IT SEEMS that Mr. Anthony Wedgwood Benn, not only in his capacity as a member of the Labour Party's National Executive Committee but also as Secretary of State for Energy, is unhappy about the Government's relationship with BP. Two weeks ago, at the Party conference in Blackpool, Mr. Benn supported an NEC resolution calling for BP to be brought "under full public control." The main issue in the eyes of delegates was, of course, the Bingham Report on Rhodesian sanctions. This week the argument has been broadened. There have been reports that the Department of Energy is displeased with BP's apparent failure to consult with the Government over several recent decisions, including the deal with Veba in Germany. At the very least, the reports suggest, existing procedures for consultation between the company and the Government must be greatly improved.

Commitment

Mr. Benn is treading on dangerous ground here. The Government gave a commitment at the time of the public offering of BP shares last year that it would not alter its relationship with the company. The Bank of England, according to the offer document, "was authorised by the Goverment to say that it is the Government's intention to maintain its relationship with BP in a way which does not breach the traditional practice of non-intervention in the administration of the company as a commercial concern." The prospectus filed with the Securities and Exchange Commission in the U.S. noted that a Government-appointed director had the right, under BP's articles of association to veto any resolution of the directors, but pointed out that the right to veto a resolution had never been used.

As these statements indicate, the present Government, like its predecessors, has set its face against using BP as an instrument of Government policy. Some people, including Lord Kearton, have suggested that the right way to secure the national interest in North Sea exploitation might have been to make use of BP, but this was not accepted by the company or the Government: so the British National Oil Corporation was set up. The idea of selling some of the shares held by the Bank of England to BNOC and giving it a seat on the BP Board was also rejected, presumably on the grounds that it might damage the effectiveness and credibility of BP as a commercially orientated international oil company.

Oddities

Mr. Benn might argue, with his Ministerial rather than his NEC hat on, that he is merely seeking closer consultation so as to avoid any possible conflict between BP's decisions and national energy policy. But any moves in this direction, if they involve treating BP differently from other oil companies, run the risk of compromising its independence. The risk would be heightened if BP was made to report to the Department of Energy, rather than as has been the case since 1914, to the Treasury.

There are, nevertheless, some oddities in the present relationship. There is no obvious strategic reason why the Government should retain majority control of BP and it might be better if the shareholding was gradually reduced. But if the Government wants to continue both the 51 per cent holding and the policy of non-interference, then the role of the Government-appointed directors needs to be clarified. They have a veto power which is never used, and it is not clear what their responsibilities are to the Government or to the public at large, apart from being criticised when BP does something which politicians disapprove of.

Indeed, now that Mr. Benn has raised the matter, it might be appropriate for the Government to bring up to date the various documents, starting with the Bradbury letter in 1914, which are supposed to regulate BP's relationships with Whitehall. While there is a natural reluctance to be too precise in these matters, too much ambiguity can also cause problems. Mr. Benn has started another of his hares running and the Prime Minister will have to catch it.

A structural surplus

FOR SOME considerable time the Japanese authorities have been trying to persuade the rest of the world that the measures which they have taken to restrain certain categories of exports, together with the upward revaluation of the yen, would in time put curbs on their apparently ever-increasing trade surplus. Figures published in Tokyo yesterday suggest, however, that the turnaround in the trade balance will take longer than the government has been forecasting.

The trade surplus rose last month, from $1.99bn in August to $2.63bn in September, and compares with $1.65bn in September, 1977. This brought the trade surplus for the first six months of the current financial year to $13.85bn, compared with $8.57bn for the first half of fiscal 1977. For the whole of fiscal 1977 the Japanese trade surplus was $20.33bn, and it is becoming more difficult to believe in the government forecast that this year the surplus will fall marginally to $20.05bn.

Right direction

The Japanese stress that the figures look very different if expressed in terms of the yen which has appreciated by about 40 per cent against the dollar over the past year, and they undoubtedly have a point. It is also true that, if measured in volume rather than value, Japanese exports declined in both of the first two quarters of this year, by 2.7 per cent and 3.8 per cent respectively. By the latter criterion, at least, the trade balance would appear to be moving in the right direction—that is, towards equilibrium—even if there is still a long way to go.

However, the figures for the single month of September also show a marginal 0.6 per cent increase in the volume of exports, the first such volume increase for five consecutive months. It is difficult to make a hard judgment on the basis of one month's figures, and the Finance Ministry in Tokyo is dismissing the upturn as a "temporary rebound." But there has already been speculation that the previous volume decline in exports, which was greater than estimated in the government's economic plan, and which was beginning to have a marked deflationary impact on the growth rate of the Japanese economy, could prompt the authorities to relax the restraints which it had imposed on major exporting industries.

One of the problems with the Japanese trade surplus is that its geographic distribution is extremely uneven, and the trends seem to be diverging quite sharply. During the first eight calendar months of this year, for example, there was a steep drop in Japan's surplus with the EEC, when measured in Yen terms, as the result of a 4 per cent drop in exports and a 12 per cent rise in imports from the European Community. But at the same time, the surplus with the U.S. rose by almost 50 per cent, while that with the rest of the world rose even faster.

The reasons for the relative performance of the EEC and the United States are not entirely clear, though they may have something to do with the much greater importance of raw materials in U.S. exports. But the bare fact that Japan now accounts for some 40 per cent of the U.S. trade gap goes a long way to explain the extent of the revaluation of the yen against the dollar.

Competition

By the same token, however, U.S. exports could present the EEC with much stiffer competition on the Japanese market. Much will depend on what measures the Japanese may take to stimulate imports, whether by lowering effective non-tariff barriers, or by expanding domestic demand. As it is, it seems unlikely that the economy will meet the 7 per cent growth rate target set by the government at the end of last year, despite the public investment package launched six weeks ago, so the government may come under pressure to do more to tackle unemployment and under-used industrial capacity. But on any hypothesis, a very substantial Japanese trade surplus is likely to be with us for a long while yet.

Choppier waters ahead for UK shipyards

BY IAN HARGREAVES, Shipping Correspondent

WHEN SIR Keith Joseph rallied the Conservative Party conference last week with a re-working of the "no mercy for lame ducks" theme, he made specific reference to two industries: motor-cars and shipbuilding.

The reference to shipbuilding could, if the Conservatives find themselves in office during the next few months, prove rich in insight or in irony, as it was the decision to pump funds into Upper Clyde Shipbuilders which destroyed the Heath Administration's tough industrial policy seven years ago.

The cost of keeping this one yard in business has already exceeded £60m and in the last decade almost £300m of public money has gone into the shipbuilding industry.

These sums seem certain to be matched or exceeded in the coming years as government faces the demands of British Shipbuilders, the corporation formed 15 months ago to embrace 18 member companies, with their 29 yards and 85,000 employees. British Shipbuilders' losses for its first nine months of trading are now being put at close to £100m, in addition to the commitment of over £60m so far in ship sale subsidies from the Government's Shipbuilding Intervention Fund.

Although in the year before vesting day, unaudited management figures showed a pre-tax profit of £2.9m, this concealed the fact that the accounts of some of its larger companies had been qualified in previous years, mostly because of uncertainties about losses on contracts subject to delay, cancellation or some other disturbing factor. Indeed, the late appearance of British Shipbuilders' first accounts owes much to the difficulties involved in sorting out these figures, which have necessitated investigations by independent accountants at certain yards.

Adding to this undoubtedly serious financial picture is the industry's poor industrial relations image, which has been strengthened in the public imagination by the confusions surrounding the placing of the £115m Polish order earlier this year. Although Swan Hunter, which was at the heart of that problem, has now sorted out the worst of its labour relations difficulties, the same symptoms persist at nearby Haverton Hill shipyard on the Tees.

If on top of these problems, one takes account of the familiar argument that an advanced, high cost country like Britain should be moving out of heavy industry towards more skill-intensive activities, it is easy to imagine the force of the "lame duck" case, should a future government choose to deploy it.

As if this record were not a sufficient handicap, British Shipbuilders also started life with two other large headaches. Shortly before vesting day it lost most of its designated senior executives in a protest against the Government's mishandling of the nationalisation legislation. Even more serious, the new corporation faced the worst slump in the industry's history, which is not expected to bottom out until 1981-82. By that time world ship output will be between half and one-quarter of the 1975-76 level, depending upon the unit of measurement employed.

Balance of power

Simultaneously a fundamental shift in the balance of power in world shipbuilding is taking place, with the rise of shipyards in developing countries, such as Korea, Brazil, Singapore, Malaysia and Taiwan. Countries outside Japan and Western Europe took 30 per cent of new orders in the first half of 1978, compared with an average of around 20 per cent a year between 1974 and 1977. Korea alone will have the capacity to meet one third of world ship demand in 1981 and, with Japan still looking well able to retain its by now traditional 50 per cent market shares, the future for West Europe looks difficult. Even a 20 per cent share of world output in 1981 would mean European yards operating at well under one-third their present capacity and even by 1985 at only just over half capacity. These sums could look even worse for Europe if account is taken of productivity improvements which are still to be achieved through the commissioning of new facilities—in Britain, both Austin and Pickersgill and Cammell Laird are in this position.

Britain's case for retaining its shipbuilding industry at something like its present capacity of 1m to 1.3m gross tons (grt) output per year is twofold. First it has not expanded in the last 30 years at a time when others, such as Japan, have expanded more than ten-fold, and therefore should not be expected to cut back. Secondly, it is agreed that the demands of the British merchant fleet, still the fourth largest in the world, provide the industry with a home demand base absent in many other shipbuilding countries. Last year the UK shipyards turned out 1.02m grt of ships for home and abroad as the British fleet took delivery of 1.8m grt from yards all over the world.

Another argument not usually voiced in public, is that the Government believes that British labour costs, low by European standards, now enable Britain's shipyards to compete effectively on price with any country in western Europe. According to this theory Britain needs only to hang on while the others make cuts in order to emerge relatively unscathed, keeping at least the 4 per cent market share it achieved last year and probably doing even better than this during the worst of the slump.

A rather less clearcut argument, again frequently advanced, is that there is "a minimum viable size" for a shipbuilding industry in terms of retaining labour skills, research and development potential, back-up supply industries and economies of scale. By this reckoning, British shipbuilding is already as small as it dares to be. If merchant shipbuilding were to decline nearly to the point of collapse, this would destroy our self-sufficiency in building warships and, in the event of war, in vital cargo ships.

These are the points of theory. In practice, it boils down to whether British Shipbuilders and Harland and Wolff can, with the help of government subsidies, win enough orders to prevent widespread lay-offs. In the first half of this year, in spite of a massive worldwide marketing campaign and the availability of 25 per cent price cuts through the Shipbuilding Intervention Fund, orders booked, at 77,740 grt, were only about 20 per cent of output in the same period. Some yards, like Haverton Hill, Hebburn Dock (part of Swan Hunter) and one berth at Cammell Laird's new covered shipyard now have no ships to build.

However, this crisis in merchant shipbuilding is eased a little by the size of the naval building programme. Over one-third of British Shipbuilders' men are now engaged in warship building—a substantial switch in the last two years—and another 7,000 are in general engineering. Only about 40,000 men, including those in marine engine shops, rely on merchant ship construction for their living. This proportion will decrease further as the mixed merchant-naval yards like Swan Hunter and Cammell Laird take on new naval construction, some of which will probably be advanced in the defence budget as a job preservation measure, and more immediately when some warship repair work is transferred from overloaded naval dockyards.

The problem with this change in balance in the order book is that warships require a much higher proportion of outfitting work—plumbers, electricians and the like—than steelworkers or boilermakers. A frigate, for example, requires 25 times as much outfit work as a standard SD14 cargo vessel.

For this reason, as British Shipbuilders puts the finishing touches to its plan, the group where jobs are most at risk is that comprising the 12,500 steelworkers on the merchant shipbuilding side and, to a smaller extent, the 10,400 ancillary men working alongside them. Given that even an outfit-intensive frigate provides as much steelwork as a 250,000 dwt supertanker, the size of the redundancy problem comes into perspective. In reality, between 10,000 and 15,000 jobs are at high risk in the next two years.

There are, too, other types of shipbuilding work for the industry. In the North Sea, where most British yards have up to now been outmarketed and outclassed by continental competition, British Shipbuilders and Harlands are profiting from the Government's pressure on oil companies to buy British.

A number of other plans are circulating in the industry to keep the yards busy without adding to the chronic surplus of merchant ships which is now prolonging the shipping recession. These include building coastal patrol vessels to supervise extended territorial waters and increasing quasi-naval fleets, such as that of the Admiralty's hydrographic department. It has even been suggested that the Government should provide the funds for a great passenger liner to succeed the QE2, or that shipyard workers should be put to repairing Britain's battered coastal defences.

There is another factor, too, which makes the redundancy outlook less alarming. In May last year, 22 per cent of the British industry's workforce was aged over 55, although the proportion in metal-using trades was lower at 3,900 men representing 17 per cent of the total. With the aid of the recently established redundancy payments scheme, some relatively painless changes should be possible.

The more searching question, however, is whether the workforce needs slimming down in the interests of better productivity and whether yard closures are desirable not to cut capacity but to increase efficiency. Although some parts of British Shipbuilders, such as Austin and Pickersgill and Appledore, have shown themselves to be competitive with Japan on equal terms, the majority of yards are way behind by perhaps as much as 75 per cent, if this is not corrected the industry will be dragged down by them when the recession ends.

Big strides have been made this year in setting up joint monitoring committees to maintain production targets and in negotiating flexibility of manning in some of the worst yards. But this has only happened with the help of equal pay awards under Schedule II of the Employment Protection Act which have added over £15m to British Shipbuilders' wages bill. The challenge is to build on these improvements at a time when shipbuilders' wages seem certain to lose ground to those in other sections of industry.

The other big question is that of investment during a period when collectively British Shipbuilders will be trading at a loss. The risk is that it may not invest enough in its successful yards. A major problem in drawing up the corporate plan has been to respond to the investment demands from all sections of the corporation.

Difficult area

This is the really difficult area for management. Should it close some yards and concentrate resources on the best-equipped centres, moving gradually to a structure of specialised centres of production for certain ship types? The complexities involved here are considerable. For example, on Teesside, Smith's Dock has a relatively modern yard (Haverton Hill) which has an appalling labour relations record and almost no work. Across the river is the busy South Bank yard with quite a good labour record but with markedly outmoded equipment, much of which is more than 30 years old. This yard has submitted costly modernisation plans to its parent corporation. These are the planning decisions which must be faced in an attempt to guarantee the industry a long-term future.

The same argument applies in the vexed question of whether British shipowners should be encouraged or compelled to order their new tonnage in Britain. The option of compulsion does not really exist in practice because of the ease of switching to offshore operation and foreign flag registration in shipping but there is [illegible] that British owners w[illegible] more ships at home if they were confident about performance and delivery. Some British owners have good reason to complain of the quality of work even on some current contracts. Moreover, British Shipbuilders is still very inexperienced in building some of the more modern, sophisticated ship types which will be in demand in the next few years.

These are the problems to be tackled now that nationalisation has presented first opportunity for co-ordinated planning in shipbuilding — as opposed to sudden financial transfusions to rescue individual companies in crisis.

It is a tall order for British Shipbuilders to deal with all these questions in what must be only a short period of time, although the present Government will undoubtedly go on trying to buy a little more of that precious commodity.

Whether the Conservatives would take a substantially different line is open to doubt, but whichever party is in control it will have to set a date for the ending of the duck's period of convalescence.

MAIN BRITISH SHIPBUILDERS' COMPANIES THEIR RECORD AND PROSPECTS

Company	Last full year pre-nationalisation Turnover	Pre-tax profits/losses	Employees	Unemployment in area %	Orders for delivery beginning January 1979
Brook Marine (end March 31)	£9.9m	£0.9m	875	6.6	2 small naval craft for Nigeria and Oman (1978); 4 fast patrol craft
Vickers	£59.1m	£3.8m	14,000	6.7	1 cruiser; 4 nuclear submarines; 1 Type 42 destroyer
Smiths's Dock	£22.3m	£1.7m	3,500	9.7	3 bulkcarriers (1979)
Appledore	£15.7m	£0.5m	1,100	7.7	4 container ships (1979); 1 diving support ship (1979)
Swan Hunter (1976)	£72.4m	£1.4m*	11,000	8.5	1 container ship (Jan. 1979); 1 cruiser + 2 Type 42 frigates
Sunderland	£56.9m	—£2.4m	7,000	13.5	2 cargo vessels; 1 cargo vessel; 6 cargo vessels (16,000 dwt)
Camel Laird	£34.0m	—£9.2m*	5,200	12.5	2 Type 55 tankers; 1 Type 42 destroyer
Vosper Thorneycroft	£62.0m	£5.6m	4,600	4.8	1 minesweeper; 2 Mk 9 frigates; 3 October class patrol ships
Austin & Pickersgill	£36.9m	£2.5m	2,800	13.5	13 SD 14 cargo ships; 2 SD 16 cargo ships
Govan Shipbuilders (June, 1977)	£47.9m	—£6.9m*	5,700	9.7	13 multi-purpose
Robb Caledon (June, 1977)	£16.7m	£0.2m	2,300	9.3	3 multi-purpose cargo ships for Poland
Yarrow (June, 1977)	£35.6m	£3.1m	5,400	9.7	4 tugs
Scott Lithgow (major companies)	£63.4m	—£0.7m	7,600	11.0	3 21,000 dwt cargo liners for Ocean; 2 small multi-purpose cargo ships for Poland; 1 supply ship—Navy offshore emergencies craft—BP

* Accounts qualified by Auditors

MEN AND MATTERS

Taxing Britain's moral fibre

No-one, it seems, considers fringe benefits as pernicious as the people who receive them. That is the sentiment voiced by many of those interviewed in the latest survey of the "perks" boom.

Jan Hildreth, director general of the Institute of Directors, says he considers them "a terrible waste of time," and "a direct distortion of the market." He adds: "The more people stretch out for these fringe benefits which are legal the more they are tempted to think about more on-the-margin things that are naughtier and ultimately become illegal and the whole of our structure of law and order and taxation structure falls into disrepute."

Hugh Parker, the managing director of McKinsey UK, thinks they have contributed to the British being "less straight, less scrupulously honest than they were and that's too bad." And Tony Christopher, general secretary of the Inland Revenue Federation, is worried that "Adam Smith's nation of shopkeepers, I think, has been transformed into a nation increasingly of bartering fiddlers."

All those sentiments are expressed in a film being shown tonight in the Thames series, Inside Business. The programme has not gone to the politicians or unions but in general has left those who receive the perks to describe both the wide range—from leased Ferraris to hand-made shirts—and the moral effect they have. But where in the programme were the companies providing the benefits? I asked.

Four of them had refused to appear, I was told, namely the AA, BP, Ford and ICI. When I telephoned these one seemed surprised, saying that it had given all information it could to Thames. Another thought any discussion on perks might prejudice negotiations over differentials but stressed that staff were warned against even accepting a bottle of scotch from outside suppliers. And a third said it had not wished to appear as it might be thought to be leading the market in such sensitive matters.

Tangled line

With reason, a colleague's wife tends to answer the phone with, simply, "hello." It hapneps that their telephone number is similar to that of the local Barclays Bank, giving rise to unusual conversations, of which the following is a recent example:

Brr . . . brr

"Hello?"

"No, no, no, my dear. When answering you should say 'Good morning, Barclays Bank'." (Querulous silence.)

". . . is that Barclays Bank?"

"I'm sorry, you have a wrong number."

Counter-point

It is reassuring to learn that, as they walk along the street, the mighty of Lloyd's are thinking similar thoughts to the rest of us. Similar to mine anyway. Sir Havelock Hudson, three times chairman of Lloyd's, described to an audience of brokers last night the elaborate game he plays on his way to Monument underground station: "Any pebble or piece of rubble struck by the ferrule of the umbrella when freely swung, without slackening one's pace, counts five points," he explained. "In order to ensure that the third year of one's 1976 underwriting account runs off satisfactorily it is necessary to score a minimum of 25 points on the journey. It is possible, however, to score certain bonus points, and this is where the trouble started on January 4 this year . . . "

On this date Hudson encountered an enormous carrot. For vegetables the rule is that they must be pierced rather than struck—scoring 15 points. "It is extremely difficult to do this as it usually skids away, but my thrust was wholly successful on this occasion," said Hudson. "Unfortunately I became self-conscious."

Following a sudden twist of the umbrella the carrot shot off into a shop called Pandora's Box and struck the proprietor "a tremendous blow" on the back of the neck.

"As soon as I got round the corner I ran like hell," confessed Hudson, "I have taken a different route ever since."

N.Y. Briton

It's a long way from a small branch of the now-absorbed Martins Bank in North Yorkshire to the top of the fourth largest bank in the U.S., Manufacturers Hanover Trust.

But Harry Taylor, a 51-year-old Briton, is now nearing the end of that path following his appointment as a vice chairman of "Manny Hanny."

His appointment mirrors a similar move earlier in the year when the Londoner Dennis Weatherstone became one of two deputy chairman at the fifth largest U.S. bank, Morgan Guaranty. Taylor's own promotion is linked to a series of retirements, including that of MHT's redoubtable chairman, Gabe Hauge.

A close associate of Eisenhower in the early 1950s, Hauge has been one of the leading U.S. bankers for many years and will be a hard man to replace. But John F. McGillicuddy, a vigorous 47-year-old, who is to take over from Hauge in April, seems undaunted at the prospect.

He has been president of the bank since 1971 and now apart from retaining that title will be chairman and chief executive too.

Taking care

Admiral Arthur Phillips must be disturbed. Not only has his memorial been moved from a church of Christ to a temple to Mammon but the temple is a foreign one.

It is now 190 years since Phillips "fixed and founded" Sydney in Australia. He later became its first governor and the Ward of Bread Street honoured its son with a memorial in St. Mildred's church. That was bombed in the second world war and now the Bank of America, built on its ashes, affords shelter to the British coloniser.

The bank celebrated the occasion yesterday, surprising me by disclosing that the bronze effigy on the wall beside Cannon Street was in fact made of a mixture of bronze and resin. It thudded rather than rang when tapped, but inside the bank the sculptress responsible, Sharon Keenan, could be seen with the bronze original. Why was this inside rather than outside? "Oh, bronze metal is valuable," came the answer, "it might be stolen."

Dog's dinner

For reasons I have never thoroughly examined I find the Americans' use of the so-called "doggie-bag" faintly barbaric. So it is with regret that I must report the advent of the British version. The London firm David Seymour and Co. has just run up a first batch of 100,000 and foresees a future awash with doggie bags.

One island of good taste will, however, be the Savoy Hotel. "It wouldn't happen here," a spokesman assured me. "It's not really a very English thing, is it . . . ."

Observer

ECONOMIC NOTEBOOK

Wages: where the TUC was right

: TUC has answered the ernment's challenge to put rard its own proposals for nter-inflation by suggesting ssence that companies pay-] excessive wage increases ld be unable to pass them oo readily in prices.

ere is a hard core of good e in this riposte. Indeed nvironment in which infla- ry wage claims cannot be d on, and will not there- be pushed to the limit, is a the only way of inhibiting rage-price spiral remotely ple in British conditions.

ere the TUC is mistaken is rg on price controls and h like the Price Commis- o achieve this objective. A better method is to create etitive conditions in which ionary wage demands can- e passed on without the enies involved pricing their ts out of their markets a us losing ground to rivals, dtic or foreign.

l over half of the cor- p sector is exposed to in- tional competition either iport markets or from im- at home. The going level ces it can charge depends st entirely on the sterling enge rate: the higher the the less it can charge. It is competitive aspect of a sterling rate—even more the obvious impact on im- d food and raw material s—which accounts for e figure inflation today. In pen economy like Britain's, etary restraint works ily through its effects on the ange rate. Of course, North oil keeps sterling for a e stronger than it would rwise be. But sterling will rise or fall inversely with rate of monetary expansion in Britain and with market beliefs about future monetary policy.

The great advantage of the monetary and exchange rate approach is that it allows flexibility in the way that price control does not, and it avoids detailed Price Commission interference in particular pay and price decisions. Even if the price index of internationally traded goods were completely stable, some prices would have to go up and others down, because of differential productivity growth, or the shift of demand between products and firms. The sectors where prices happen to increase are not necessarily the ones that are abusing monopoly power on either the corporate or the union side. With all the talk about counter-inflation, it is often forgotten that some prices and some wages have to rise *relative to others*, even in an entirely competitive and non-inflationary world; and no government body can foresee the relativity changes required before the event.

But to say that a high sterling rate is good protection against inflation does not mean the higher the better. Nor does it mean that sterling should be formally or informally pegged, and support by intervention or borrowing whenever it weakens. The aim of a strong pound is not to bankrupt industry or create a depression, but to discourage inflationary settlements and other cost increases *before they occur*.

To maintain the pound without intervention at a constant rate against the Deutsche Mark — or even against the snake average — would require adhering to the 5 per cent norm pretty rigorously and a savage reduction in monetary targets.

If this exchange rate aim had been the conscious object of policy ever since the beginning of 1977 when sterling first began to rise (and was foolishly held down by the authorities) the whole climate of expectations and wage bargaining might well have been by now very different. At the present stage all one can hope for is to carry on with existing monetary targets on a reducing path and leave it to these to strengthen sterling in the foreign exchange market, but not attempt to freeze sterling against currencies of countries which still have much better anti-inflationary prospects than does the U.K.

Markets do not expect

THE FOREIGN exchange market does not take too seriously the prospect of Britain entering the European Monetary System. It is almost common ground that the UK would not be able to join the EMS at anything like the current sterling exchange rate: or, if it tried, the rate would have to be changed so soon as to make a farce of the whole scheme. Why then has sterling not been sinking in the market in anticipation? The answer is that it has been, although less than one might have expected.

The dominating feature of the foreign exchange market has, of course, been the weakness of the dollar. Indeed there have been in the last two weeks purchases of dollars by continental Central Bankers on a scale not so far appreciated. Without them the dollar rate would have fallen even further.

But it is of course possible to look at sterling's movement in relation to the European Unit of Account, popularly known as the "basket." The sterling value of that basket has risen, meaning that the pound has depreciated by about 1½ per cent in the last three months. This is a period covering both the Bremen summit understanding on EMS and last weekend's mark revaluation inside the existing snake. Even against the D-mark alone, the sterling devaluation has been only about 4 per cent in the last three months—and by only about 8½ per cent since the end of 1976. The one really weak sterling indicator has been the forward discount against the D-mark, now around 9½ per cent. Even here there has been no very steady trend, but rather a narrowing of the discount in the summer, followed by a widening in the early autumn.

The apparent conclusion from the smallness of these changes is that so far the market has not expected the UK to participate in EMS in any serious sense.

With a floating pound it is both possible and desirable to push aside the Treasury's worries on competitiveness and to allow sterling to remain high for counter-inflationary reasons, relying on the profit squeeze in international markets to feed back into wages. But once a sterling rate has to be fixed for a good many months to come it is neither possible nor desirable to ignore such Treasury naggings.

Some people argue that the German revaluation last week was a demonstration that frequent and small parity changes can be made in a fixed rate regime. But anyone who can argue from the example of small currencies of countries heavily dependent on trade with Germany, to widely held currencies such as sterling, the franc and the lira, should not be trusted with the household silver.

The biggest bull factor on the side of sterling is North Sea oil, estimated to be worth £4.3bn (in 1977 pounds) to the balance of payments this year and £5.5bn next year. The impact of oil on currency values is ephemeral and easily exaggerated. But suppose that the North Sea, plus an undreamt of combination of EEC budgetary transfers and almost unlimited German standby credits enabled us to hold sterling well into 1979, what would be won? "A few more months of single figure inflation to help us with the election," I can hear some saying.

But would it even do that? UK trading profits, net of stock appreciation, dropped by 16 per cent the second quarter of this year. How much more profitless prosperity could we have without undermining the prosperity itself? I have just argued for a monetary policy designed to keep sterling strong and to make it difficult to pass on wage increases. But these things are matters of degree. To maintain a constant effective exchange rate in the long run, the UK money supply might have to rise by 7 per cent less than the German and nearly 5 per cent less than the French; and the UK inflation rate might have to be 2 per cent less than the German.

To attempt to achieve all this suddenly without any advance preparation or warning would really be to take risks with employment and investment that no *bona fide* monetarist has ever urged. To hold the rate by credits and oil alone, without the required monetary restraints, would be to run some of the same risks, with the certainty of an inflationary explosion and major devaluation to follow. The explosion would shatter both the supersnake and the last few remnants of goodwill to Britain in the EEC.

Meanwhile it is some consolation that, contrary to warnings from Brussels the market does not—so far—regard staying out of EMS as a sign of weakness. But I would again, emphasise "so far." If I were Mr. Healey, I would not delay making a statement on monetary targets, cash limits, and PSBR aims for 1979-80, linking these financial objectives to pay and earnings in a way that has never been even attempted by the Treasury before.

The dollar and oil

A FEW months ago I told Americans from coast to coast that I could not see any energy problem other than of their own making; and that the weakness of the dollar had very little to do with the oil imports of which it was conventional to complain.

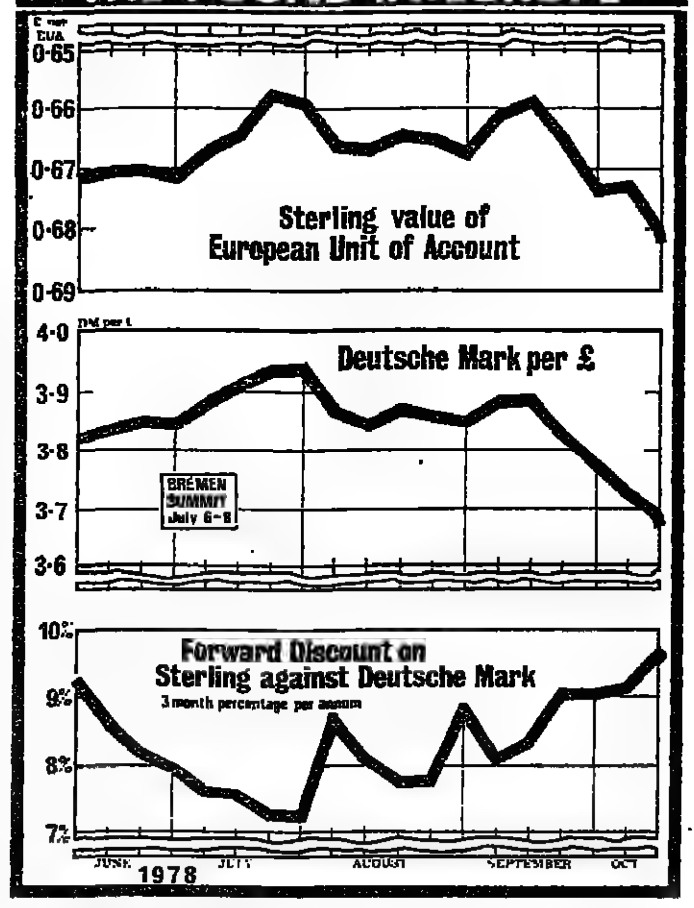
The last weekend—in which the Administration rejoiced at the passage of an, admittedly watered down, Energy Bill—was followed by one of the largest ever bouts of dollar weakness. Meanwhile Mr. Geoffrey Wood and Mr. Douglas Mudd have shown in the August issue of the St. Louis Federal Reserve Bank Review that U.S. *oil imports are a lower proportion of the U.S. GNP than of* German or Japanese GNP. And the increase compared with the early 1970s has also been relatively smaller for the U.S. than for Japan. Yet the "problem" of the yen has been one of appreciation, not depreciation.

But there are problems for monetarists as well. The U.S. money supply figures do not reveal, without a great deal of massaging, any very sensational inflationary expansion compared either to other countries or to U.S. experience in the mid-1970s. Does one then say that the "warranted" growth of U.S. money supply is less than that of other countries? Or that one should use some other measure such as Domestic Credit Expansion, or try to incorporate Euro-dollar creation? And why did no economic forecaster of any school warn us of these complications *before* the dollar started to plunge? Monetarists do no one a favour when they try to make out that economics is more of a hard science than it can possibly claim to be.

Samuel Brittan

The President of the New York Federal Reserve Bank, Mr. Paul Volcker, will be giving the Fred Hirsch Memorial Lecture on "The Political Economy of the Dollar at 5.30 pm on November 9, at The Arts Centre Conference Room, University of Warwick. It is open to members of the public.

THE POUND IN EUROPE



Letters to the Editor

Graduates in business

From the Director of External Relations, London Graduate School of Business Studies.

Sir,—As in previous years here a brief review of our experience in placing graduates of our masters programme in business studies in jobs this year.

There were 90 graduates from the masters class, one third coming from 18 different countries overseas, and 15 of them were women. There were 17 engineers, scientists, seven accountants 12 economists, the remainder representing a variety of disciplines. Average age on graduation was 27.

The number of companies approaching us directly with specific job opportunities rose to over 250, and the wide spread of the companies in terms of size sector of the economy is a strong indication that British industry and commerce have come to accept business school graduates as a valuable source of management potential recruitment.

All our 1978 graduates have been placed and the following table shows their destination, giving a comparison with earlier years:

	1978 %	1977 %	1976 %
Sector			
Manufacturing	35	49	47
Banking and financial services	25	15	20
Trading and service companies	22	16	13
Consultancies	8	9	9
Public sector	5	3	4
Own company	5	8	7
Area of first appointment			
Finance	36	22	24
Marketing	18	17	23
Planning	14	17	13
General management	10	16	9
Consultancy	13	16	15
Management services	4	0	2
Production	5	4	5
	—	—	9

...ear a considerably ...roportion of MSc ...elected to return to the ...orld by way of a ... a decision which is ... the drop in the num... ...se going into manu... ...nd in the increase of ...o the banking and ...sector. This can be ...d almost entirely to the ...ion of the 1978 class ...was unusually low in ...rs—17—and high in ...tants—seven. Next year's ...ting class restores the ...nce with 26 members who ...e engineering degrees.

...n spite of increasing demand ...a manufacturing companies, ...oaratively few of our ...uates were again prepared to ...et a first appointment in the ...duction field. Several com... ...s which were successful in ...iting from the 1978 class, ...ver, stipulated that ex... ...ence on the production side ...d follow an initial exposure ...e organisation in another ...tion.

...aries offered to those who ...t employment in the UK ...ed from £6,000 to £16,000 ...ding to age and experience. ...UK overall salary average ...£8,465. The salary average ...ges 22-28 was £7,915 and for ...29-35 £9,750. On top of these ...es most companies provided ...riety of fringe benefits, in... ...ng cars and help with ...gages.

...cruitment of the graduates ...s two separate strands: (1) ...companies look for young ...n and women with manage... ...n potential who have had ...s years of experience in ...bess, have grown in maturity ...learnt how to think for ...selves in the language of ...bess. (2) a smaller but sig... ...nt group of companies seek ...ts at the lower end of the ...racket because they want ...c men and women with an ...ind understanding of ...ess who can be developed ...w their own system.

...these groups come together in the emphasis they place on language ability and familiarity with the international business scene.

Ian Bruce.
London Graduate School of Business Studies,
Sussex Place,
Regent's Park, NW1.

The road to management

From the Head of Management Recruitment, Courtaulds

Sir,—Mr. B. Barker, the secretary and chief executive of the Institute of Chartered Secretaries and Administrators has expressed the appreciation (October 4) of his institute for Michael Dixon's warning about the future job market for accountancy-trained graduates, and he takes the warning as support for the contention that graduates should keep their options open for management development by shunning narrow technologies.

Furthermore, he asks the question why it is that, whereas doctors start as general practitioners and narrow their focus to become specialists, in commerce and industry we try to do it the other way round? Surely both the logic of his argument and the analogy are wrong: accountants, whether they be chartered, certified or cost and management, are certainly not narrow technologists and only a few general practitioners in the medical profession narrow their focus to become specialists because medical specialists need to start young.

Industry is attractive to those graduates who wish to have a profession, such as accountancy, and keep their options open for management development. But their first priority must be to become good accountants. Similarly graduate engineers have to make their mark as engineers before they aspire to general management; it is the failure to grasp this elementary point which is currently bedevilling so much of the current discussions on elitist 4-year engineering courses.

In many companies there are chief executives from diverse backgrounds in research, production, accountancy, engineering, marketing, company secretarial work, etc. who have progressed to general management because they have made it their business to understand their colleagues' problems as well as their own. Their success, however, is not based on an initial demand that they be generalists, but on their determination to be good at their jobs, earn their salaries and make a major contribution to their companies.

Nigel Cooke.
Courtaulds,
PO Box 16,
345 Foleshill Road,
Coventry.

North Sea oil

From Elizabeth Young

Sir,—Both Mr. Baxendell, of Royal Dutch Shell, and Mr. Tam King, the Shadow Energy Minister (October 13) have misunderstood the long term need for nationalising North Sea oil: in time, even a Conservative government would have to do just that.

For the time being, the oil companies' commercial interests, which are their only interests, coincide very nicely with the national interest. But the time will come when their commercial interest will no longer suffice to keep them at work in the North Sea—they might be tremendously attracted into working off the East Coast of the United States, for instance.

In that event, the national interest will certainly require that exploitation of North Sea oil should continue. The oil companies might still be happy to continue work as contractors, even if they do not wish to work as principals. Alternatively we may have to depend on the British National Oil Corporation.

Today's taxes and privileges for BNOC have to be seen as preparations for the day when commercial interest is no longer sufficient to keep North Sea oil flowing but the national interest requires that it should not stop.

Elizabeth Young.
100, Bayswater Road, W2.

Arranging insurance

From Mr. H. Holman.

Sir,—A client, in course of changing yachts, has written: "Thank you for your help in this matter. Had my bank manager who was financing the deal not insisted on my arranging insurance through him, I should most certainly have continued to deal with yourself. I am indeed sorry that this was not possible." On another occasion, a yachtsman who had reason to be grateful for the service we had given him, telephoned with the same complaint. "I sat there opposite to him, utterly helpless," he said. "I badly needed the money, so what could I do?"

In both instances, were were at once touched by the gratitude and angry at being cheated in such miserable fashion but passed the matter off with the comment that we had neither the resources nor the know-how to engage in banking as a sideline. (In the event, one man came back to us a year later, and the other may well do so.)

Our own bank manager states that this kind of coercion, polite though it may be, is not only unethical but expressly forbidden by head office. It would be interesting to know if this is true in general.

If a person were to threaten a bank official at pistol point he would deserve — and probably get — punishment. What is the essential difference?

Herbert Holman.
Fairlead Marine Insurance Brokers,
24, Norman Court,
Cranesecater Park, Southsea,
Hants.

Timber as a fuel

From the Group Chief Executive, Economic Forestry Group

Sir,—It is clear that nuclear power, with its risks, has not yet won general acceptance. Claims that "we have plenty of coal and electricity" and that "oil and gas will last us well into the next century" ignore the timely warning provided by the sharp rises in oil prices in this decade.

As a forester, I am forced to look beyond the comparatively short time scale that attaches to such finite resources as coal, oil and gas and also beyond our pre-occupation with the energy problems of the developed countries. I must, therefore, pose the question: why is so little attention being paid to wood as a source of energy?

By photo-synthesis, solar energy is stored as an expanding and renewable resource in our forests. The Food and Agriculture Organisation reports that wood fuel accounts for two-thirds of all energy used in Africa, one-third in Asia and one-fifth in Latin America. These compare with less than one-third of 1 per cent in Western countries. In the United States alone, it is estimated that 7 per cent of their total energy needs could be supplied from forest waste and low value tree species. Not only can wood provide energy directly as firewood or charcoal, it can also be converted into a liquid or gaseous fuel.

In Britain, our modest forest estate now extends to over 2m hectares, from which the flow of timber is expected to double over the next 15 years. Even that will make only a small, though valuable reduction in our imports of timber now accounting for 92 per cent of our needs at a cost of £2.5bn each year.

I suggest, therefore, that, as supplies of gas, oil and other fuels inevitably decrease and costs increase, we must make greater and more efficient use of our forest tree resource, including the provision of wood energy, not only to reduce our massive import bill but also to provide jobs in rural areas where increased employment is so necessary.

John Campbell.
Forestry House,
Great Haseley, Oxford.

Professional unions

From the President, Association of Management and Professional Staffs

Sir,—In his letter of October 10 Heibert Maier, of the International Federation of Commercial, Clerical and Technical Employees (FIET) accuses me of inaccuracies in my article of September 29 on European managers. I repeat that the Confédération Internationale des Cadres (CIC) is the only international body which co-ordinates the activities of trade unions which represent exclusively managerial, professional and senior staff employees. The fact that the constituent unions of FIET have a few managerial, professional and senior staff employees in membership does not make them representative of this group of workers.

To say that my central contention was that managers are increasingly becoming organised in bodies outside the trade union movement is a travesty of fact. All the unions in CIC are part of the trade union movement. To suggest, for example, that a British trade union like my own is not bona fide just because it does not belong to the TUC is an example of the bigotry and prejudice which is dividing workers and which brings comfort only to employers. The future will show Mr. Maier that professional and staff associations are by no means ineffective and weak.

Managerial, professional and senior staff employees throughout Europe have had to form unions of their own to fight for their interests because it was quite clear that the manual or clerical unions were not going to fight for them—in fact, it would be quite unrealistic to expect them to do so.

(Dr.) M. B. Green.
Association of Management and Professional Staffs.
14, Harley Street, W1.

Today's Events

GENERAL

Chancellor of the Exchequer and Governor of the Bank of England speak at Lord Mayor of London's dinner for bankers and City merchants at Mansion House.

Prime Minister and colleagues continue consultations with West German Chancellor in Bonn—final day.

Mr. Roy Hattersley, Secretary of State for Prices and Consumer Protection, speaks at by-election meeting, Dunbar.

Plaid Cymru annual conference opens at Swansea (until October 22).

NATO Defence Ministers nuclear planning group continue discussions in Brussels—final day.

Mr. C. Fred Bergsten, U.S. Assistant Treasury Secretary, speaks on the "International Economic Outlook — the U.S. View" at Chatham House.

Mr. Anthony Solomon, U.S. Treasury under-secretary for monetary affairs, addresses Public Securities Association at Marco Leland, Florida.

Mr. Edward Heath addresses Chelsea Conservative Association on "Current Political Situation."

OFFICIAL STATISTICS

Central Statistical Office publishes first preliminary estimate of consumers' expenditure for third quarter. Bank of England gives UK banks' assets and liabilities and the money stock for mid-September; and the London dollar and sterling certificates of deposit for mid-September.

West German trade and current account figures due to be published.

COMPANY RESULTS

Final dividends: Burndene Investments. Eleco Holdings. London Scottish Finance Corporation. Sandhurst Marketing. Spencer Gears (Holdings). Interim dividends: Alginate Industries. Canadian and Foreign Investment Trust. Coates Brothers and Co. De Vere Hotels and Restaurants. Dunbee-Combex-Marx. General Scottish Trust. Gerrard and National Discount Company. Hawker Marris. Hawker Siddeley Group. House of Lerose. Industrial and General Trust. F. J. C. Lilley. Scottish Mortgage and Trust Company. United Engineering Industries.

COMPANY MEETINGS

Brasway. Penns Hall Hotel, Sutton Coldfield, 2.30. British Electric Traction, Connaught Rooms, Great Queen Street, W, 12.15. British Scrap Federation, Hilton Hotel, W, 10.30. Centrovincial Estates, 4, Savile Row, W, 3. Matthew Clark, 100, Old Broad Street, EC, 12. Louis Newmark, 143, Great Portland Street, EC, 12. Norton and Wright, Queens Hotel, Leeds, 12. Pifco, 100, Old Broad Street, EC, 12. Regional Properties, Mayfair Hotel, W, 12. Williamson Tea, 3, High Timber Street, EC, 12.

SPORT

Golf: European Open golf championship, Walton Heath.

Tennis: BMW women's tournament, Brighton.

EXHIBITION

Gainsborough and Reynolds, and Islamic Painting—opens at British Museum, WC1, until January 14.

COMPANY NEWS

BHS benefits from new marketing in first half

REFLECTING benefit from the conversion of 19 food departments to merchandise sales, pre-tax profit of **British Home Stores** expanded by 24 per cent from £8,407,000 to £10,425,000 in the 24 weeks to September 16, 1978.

Sales in the remaining food stores have responded well to the new marketing approach the directors state.

The net interim dividend is stepped up from 2.8p to 3.1p per 25p share, absorbing £3.17m. Last year's total was 6.2720p and was paid on a record pre-tax profit of £27.09m.

In his annual statement in May, Sir Jack Callard, the chairman, said he expected a steady improvement in sales and an increase in net profit during the current year.

Merchandise sales	[illegible]	[illegible]
Food sales	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total sales	**133,683**	**110,116**
Profit	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Profit before tax	**10,425**	**8,407**
Tax	[illegible]	[illegible]
Net profit	[illegible]	[illegible]

See Lex

HIGHLIGHTS

A concentration of non-food sales has helped **British Home Stores** to boost first-half sales by 21 per cent and pre-tax profits by more than a quarter and this trend is continuing into the second half, suggesting full-year profits in the region of £35m (£27m). Profits at **UBM Group** are virtually doubled due to a strong upturn on its builders merchants side where volume is up 10 per cent. Lex also comments on the latest saga in the **Sime Darby** auditor differences. Elsewhere, **Time Products** is making a rights issue at a substantial discount while the dividend has been trebled with Treasury consent. After what was a slow start to the year **Marshall's Universal** is now picking up, with first-half profits 12 per cent higher and the possibility of a 15 per cent gain on the year. Profits at **Duport** are 26 per cent lower at the half-way stage, reflecting the depressed margins on the important steel side and little improvement can be expected in the current year. On the other hand **Dawnay Day** has shown strong recovery and the company is within striking distance of its peak level seen in 1972-73.

Time Products trebles dividend to 5.3p on £2m rights issue

A dividend boosting rights issue is proposed by the directors of **Time Products**, jewellery retailer and wholesaler.

Time is raising £2.5m by a one-for-10 rights issue priced at 155p, a discount of 23 per cent on last night's closing price of 202p.

The company is trebling its dividend from 1.677p per share to 5.287p.

Time is also producing first half figures. Sales are shown at £12.39m compared with £10.49m and pre-tax profits of £1.68m (£1.40m) after associate income of £525,000 (£470,000). Last year Time produced profits of £3.57m on sales of nearly £25m.

Giving its reasons for the rights call the Board states that it considers it desirable to increase shareholders funds in order to finance the continued development of the group and in particular to reduce the company's dependence on overdrafts and short-term banking facilities.

The last accounts, dated January 31, 1978, show that the company had no short term debt and cash in the balance sheet of over £1.5m. However, this is after the high sales period of the retail division.

The official document, issued with the rights cash call shows short term borrowings of £4.72m. This figure is probably the high point of the borrowing cycle as Time gears itself up for the Christmas retail trade.

Last year short term interest charges were £117,000; this figure was on a rising trend this year prior to the right call.

The directors say that trade in the first six months is most satisfactory and since the end of the half-year business has continued at an encouraging level.

The Treasury has given its approval to the proposed dividend increase and the issue is underwritten by Joseph Sebag.

Dealings in the new shares are due to start today.

● comment

Time Products justifies its rights issue on the basis of increased capital expenditure on new retail outlets and a build up of stock. Even so, this has the classic ingredients of a dividend boosting issue. It is fairly small, less than 8 per cent of the market capitalisation, the discount is deep and the dividend comes in for a dramatic increase. Shareholders who come forward with the rights cash will get their money back over the next four years by way of higher dividends. As for the interim figures there has been a good improvement from all three divisions, retailing, wholesaling and the Hong Kong associate. In terms of profits all three are around the same size. The first half performance is hardly exciting but growth should accelerate in the second half to take full year pre-tax profits up to the region of £4½m. At 202p the prospective ex-rights p/e on average capital is nearly 12 and the yield jumps to 4 per cent—not a particularly cheap share even after the dividend boost.

Hambro Life improves pension plans

Hambro Life Assurance has announced certain improvements in its Executive and Self-Employed pension and life assurance schemes. First of all, it has made reductions of up to 10 per cent in the life assurance rates on the Executive Pension Plan and the Self-Employed Life Plan. The Executive Plan offers the option of continuing the life cover without evidence of health if the executive decides to continue working after normal retirement date, a single premium being charged for each year's life cover.

Secondly, the company is offering an alternative method of providing the widow's death in service benefit on the Executive Pension Plan. This can now be done by having the life assurance at outset in excess of four times a member's current remuneration. In the event of death any life cover in excess of four times final remuneration would be applied to purchase a widow's death in service pension on an open-market basis without penalty.

Finally, the company is introducing the benefit of an open market option under the Hambro Life Growth Retirement Plan. The investor at the time of retirement can transfer the policy fund to any other insurer which would pay the tax-free cash commutation sum if required as well as the annuity. Alternatively, part of the fund can be used to purchase an open market annuity, with the balance being used to provide a Hambro Life unit-linked annuity.

Recovery by Westminster and Country

A second half recovery from a £221,000 pre-tax loss to £181,000 surplus enabled **Westminster and Country Properties** to finish the year to April 30, 1978, showing a profit of £112,000 against a deficit of £186,000 last time. Turnover improved by £0.51m to £3.19m.

Earnings per 25p share are stated at 3.9p (loss 6.6p) and the company returns to the dividend list after four years with a net payment of 1p.

City of Oxford Trust

For the six months to September 30, 1978, **City of Oxford Investment Trust** reports gross revenue ahead from £133,738 to £153,757 and pre-tax profits up from £107,950 to £126,559.

Profit is struck after debenture interest of £16,000 (same) and management expenses of £11,198 (£9,788). Tax takes £43,987 (£38,807).

Earnings per 25p share are stated at 2.02p (1.69) and the net interim dividend is increased from 1p to 1.25p—last year's final payment was 2.3p.

Dawnay Day profits top £2m

FOLLOWING the excellent first half when profits rose £770,000 to £930,000, the **Dawnay Day Group**, merchant banker, reports pre-tax profits more than doubled to £2.18m for the year ended June 30, 1978.

After a charge for tax of £323,000 against £194,000 and an extraordinary credit of £27,000 (£59,000) on loan stock purchases, net profit for the year was £1.89m compared with £819,000 previously.

Earnings per 25p share are shown at 6.75p against 2.76p and the final dividend is 1.25p making a total of 1.75p (1p).

The trading subsidiaries contributed £1.49m (£1.07m) to pre-tax profit, unit trust activities, £257,000 (£78,000) and investment banking, £760,000 against £56,000 last time.

Mr. Edward Hatchett, the chairman, says the results show that in a large measure, the group has achieved its stated objective two years ago of rebuilding profitability.

The profits of the trading subsidiaries increased for the third successive year but the outstanding feature is the substantial contribution made this year by the investment banking activities.

● comment

DAWNAY DAY'S continued recovery—full year profits are 129 per cent higher—puts the company within striking distance of the 1972/3 level when the property and secondary banking boom combined to give a record pre-tax figure of £3m. The biggest improvement has come from the investment banking activities where a more healthy economic climate has enabled the division to build up new business. Elsewhere, the trading subsidiaries made good progress, thanks mainly to the food side which has benefited from reorganisation in the biscuit companies and the improvement in trading conditions. The Target unit trusts also did well, mainly because of the more favourable stock market conditions. However, in spite of the recovery trend, the directors have opted for caution on the dividend front—instead of the maximum 2.17p allowable (which would be covered three times) they have declared a total of 1.75p which, at 44p, gives the shares a yield of just over six per cent, while the p/e is 6.3 on the sub-normal tax charge (or 17.8 on a maximum charge).

Sharp rise to £0.65m by C. H. Bailey

A sharp rise in taxable profits from £179,717 to £655,890 is reported by **C. H. Bailey**, dry dock owner and ship repairer, for the year ended March 31, 1978, on reduced turnover of £9.43m against £10.53m.

After a tax charge of £2,346 (£725), net profits jumped from £178,992 to £653,544, giving stated earnings up 0.93p to 1.28p per 10p share. The dividend is raised from 0.211239p to 0.2395p net.

The pre-tax result was struck after a reduced charge for depreciation of £565,396 (£808,701). Attributable profits emerged ahead from £129,219 to £565,396, after an extraordinary debit of £40,920 (£16,717).

Duport down midway and warns on second half

REPORTING taxable profits for the half year to July 31, 1978, down from £4.38m to £3.24m the directors of **Duport** state that they expect the full year's profits to be lower than the £7.39m achieved previously.

While results for the half year are rather better than originally expected, the outlook for the second half is now less encouraging, and results for this period are not expected to match those of the first.

Turnover was up in all divisions except engineering and totalled £101.23m against £96.85m.

The market for engineering quality steels remained weak and margins continued to be under pressure. In the engineering sector, too, dull trading conditions predominated and were accentuated by a sharp reduction in demand from agricultural tractor manufacturers.

The directors say the improvement in results from the domestic products sector is encouraging: losses on Slumberland and Vono beds and furniture were reduced substantially and a buoyant demand for curtain rail systems and for some of the group's other bedding and associated products enabled these areas to improve their results.

The immediate prospect is a continuation of depressed demand and margins for the group's steel, the market for which is now showing further weakness, and for castings and forgings.

Although tangible cost benefits are beginning to emerge from the operation of the new steel works and the recovery in the results of the domestic products interests is being maintained it is unlikely that these factors will fully offset the effect of a less favourable business climate.

For the 1977-78 year a fall in the second half left the total profits down from a peak £11.43m to £7.39m.

	Six months 1978 £000	Six months 1977 £000	Year 1977-78 £000
Turnover	101,228	96,848	193,397
Steel	30,343	30,775	[illegible]
Engineering	[illegible]	[illegible]	[illegible]
Domestic prod.	19,950	18,849	38,846
General	4,753	2,265	6,535
Less: Inter sales	775	495	[illegible]
Depreciation	1,924	1,626	3,632
Profit on trading	3,910	4,579	[illegible]
Steel	2,513	4,389	7,302
Engineering	1,267	1,525	[illegible]
Domestic prod. (loss)	247	[illegible]	[illegible]
General	377	128	[illegible]
Interest	722	635	[illegible]
Trade invs. divs.	35	[illegible]	[illegible]
Profit before tax	**3,241**	**4,383**	**7,385**
Tax	1,190	[illegible]	[illegible]
Net profit	[illegible]	[illegible]	[illegible]
Preference div.	[illegible]	[illegible]	[illegible]
Interim div.	[illegible]	[illegible]	[illegible]
Final div.	—	—	[illegible]

Results of Burman and Sons, which was sold in July, 1978, have been included in the group's results for the six months as follows: turnover £10,908,000 and profit on trading £392,000.

In compliance with the Nigerian Enterprises Promotion Decree 1977 the group's interest in Vono Products was reduced from 27 per cent to 18 per cent in March, 1978, and consequently the company ceased to be an associate. The group's share of its profits has therefore been included only to the extent that dividends have been received in th six months.

As the group's interest in other associated companies is not considered to be material, their results have also been accounted for on the basis of dividends received. The corresponding figures for the six months ended July 31, 1977, and the previous year have been restated accordingly.

Basic earnings are shown as down from 9.33p to 4.9p per 25p share and 4.56p (7.99p) fully diluted. The interim dividend is increased from 1.823p net to 2.03568p, and an additional dividend of 0.04047p is also announced for 1977-78 on the reduction in ACT—last year's final payment was 2.67115p.

The directors state that the first of the two new electric arc furnaces in its South Wales plant began operations last April and the initial commissioning period has now been completed. Its production has reached planned levels and, with the second arc furnace nearing completion, open-hearth steelmaking operations are being discontinued on a phased programme.

● comment

With margins from the important steel division almost halved, interim pre-tax profits at Duport are 26 per cent lower. The company has had a bumpy ride over the last few years and the market was well prepared: analysts are now looking for full year profits of £5½m-£6m. The cautionary note is primarily due to the Ford strike, which casts a cloud over steel demand, and the trigger price system which has checked steel exports to the U.S. If the current year promises little, however, the benefits of new steel plant in South Wales should show through in 1979. The second arc furnace is virtually on stream, and labour costs will be severely trimmed through further redundancies. Meanwhile, losses on the domestic products side have already been cut back and this division should break into profit by the year end. Problems at Slumberland seem to be mostly sorted out and with Swish going well, Vono and the small returns from Grovewood remain difficult areas. On the engineering side the company detects some pick-up in demand after drastic destocking earlier in the year. At 69p the shares stand on a fully taxed prospective p/e of 9.8 and yield 11 per cent.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Brit. Home Stores	int.	3.1	Jan. 2	2.8	—	6.27
Brown & Jackson	int.	2	—	Nil	—	1
City of Oxford Tst.	int.	1.25	Dec. 11	1	—	3.3
Dawnay Day		1.25	Nov. 23	1	1.75	1
Duport	int.	2.04	Dec. 15	1.82	—	4.53**
Farm Feed	int.	1.34	Dec. 1	Nil	—	0.66
Gopeng Consd.	2nd int.	9	Jan. 6	7	—	15
Harrison & Sons	int.	1.49	Dec. 1	1.49	—	4.19
Jessel Toynbee	int.	0.88	Nov. 14	0.7*	—	3.27*
Kalamazoo		1.24	Dec. 6	1.11	2.16	1.94
London & Prov. Pstr.	int.	3.34§§	—	2.99	—	9.69
Marshall's Universal	int.	3.49	Dec. 8	3.13*	—	6.39*
Medminster		1.13	Dec. 7	1.01	2.03	1.81
Secs. Trust Scotland	int.	3	Dec. 11	2.25	—	6.1
Smith St. Aubyn	int.	2.5¶	Nov. 30	2	—	5.01
Sun Life Assurance		1.76††	Dec. 29	1.58	3.48	3.11
Time Products	int.	0.48	Jan. 16	0.43	—§	1.77
UBM	int.	1.96	Jan. 2	1.79	—	4.3
Websters Publications	int.	0.59	Dec. 15	0.54	—	1.68‡
Westminster & Country		1	—	Nil	1	Nil
Westpool Inv.	int.	1.2	Dec. 15	1	—	3.3
Wilmot Breeden	int.	1.2	Jan. 2	1.2	—	3.08

Dividends shown pence per share net except where otherwise stated.
*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡For 15 months—includes additional 0.009142p now payable. §Forecast 5.287p total in context of rights issue. ¶Includes 0.0186p final now payable. ‖To reduce disparity. **Includes additional 0.04047p now payable. ††Includes additional payment for reduction of ACT. §§Corrected.

Brown & Jackson tops £0.57m

REFLECTING BENEFITS of the diversification programme, profits before tax of **Brown and Jackson** surged from £31,121 to £571,121 in the first half of 1978 and the board is confident that further progress will be made in the second six months.

Earnings per 20p share are shown to be 18.89p against 2.36p and an interim dividend of 2p is declared. Last year, the interim payment was omitted but was followed by a 1p final paid on pre-tax profits of £245,000. In 1973 profits were a record £532,000.

Turnover in the half year rose from £4.74m to £15.57m. Tax charge amounts to £120,000 (nil).

Although the construction industry is still depressed, competition for work is very keen, and the company continued the policy of not buying work, the directors say. Meanwhile contributions being made by new acquisitions have been well up to expectations.

The group trades as a building and civil engineering contractor but now has subsidiaries in painting, flooring joinery and plant hire, property development and toiletries and cosmetics manufacturing.

Harrison and Sons lower at £103,000

THE FLOW of additional work to fill gaps in production at one factory of **Harrison and Sons**, printer, caused by cessation of two substantial contracts last year, has not yet reached the expected rate. Trading profit for the first half of 1978 slipped £68,000 to £532,000 but, aided by lower interest payments pre-tax profit was down only £27,000 at £103,000.

Trading at most factories in the group was satisfactory and showed the progress that had been planned, the directors state.

Industrial unrest caused by Government pay restraint caused some disruption to production but any serious problems, which would have adversely affected service to customers, was avoided.

The net interim dividend is maintained at 1.487p per 25p share, again costing £33,743. A final of 2.700p was paid last year when the group achieved further recovery from the £340,000 loss seen in 1975. Two years earlier the surplus had been at a peak of £440,000.

	Half-year 1978 £000	Half-year 1977 £000
Sales	9,791	8,503
Trading profit	532	600
Depreciation	184	175
Interest	245	295
Pre-tax profit	103	130
Tax	6	6
Net profit	97	124
Extraord. credit	—	31
Dividend	6	6
To reserves	91	169

MLR rise depresses discount houses

BECAUSE OF the 3½ per cent rise in the minimum lending rate over the past six months profit for this period at **Jessel Toynbee and Co.**, discount house, is considerably lower than for the first six months of 1977-78, the directors report.

The net interim dividend is effectively raised to 0.875p (0.7p) per 25p share. The directors say this will further reduce disparity between the interim and final distribution if dividend restrictions remain in force.

They still intend to recommend a maximum final under existing legislation. The total last time was equivalent to 3.268p on capital increased by the April one-for-four scrip issue, and paid from record profit after tax of £1.3m.

Another London discount house, **Smith St. Aubyn and Co. (Holdings)** also reports lower earnings for the six months to the end of September.

This company's net interim dividend is raised to 2.5p (2p) per 25p share to reduce disparity. Last time a final of 3.012p was paid from record net profit of £1.95m.

In June the directors forecast that the current year would be dominated by the impending General Election, and the timing and uncertain result would make for nervous markets. These conditions should make for wide running margins and satisfactory earnings for the company.

Mid-year turnround at Farm Feed

Farm Feed Holdings reports a substantial turnround from a loss of £35,600 to pre-tax profits of £198,600 for the half year to July 31, 1978, on turnover behind slightly at £3.93m against £4.08m. The company achieved a trading profit last time of £41,900 but associate losses of £77,500 caused the pre-tax setback.

For the whole of the 1977-78 year a second half recovery left Farm with profits of £124,083 (£160,940).

The interim dividend is 1.34p (nil) net per 25p share—last year a final of 0.66p was paid.

Net profit came out at £95,300 compared with £35,600 loss after tax of £103,300 (nil), and minorities took £11,300 (£8,600). The amount retained was £53,602 against a £47,500 deficit.

Permanent appoints new chairman

Mr. H. E. Lockhart-Mummery has been appointed chairman of **Permanent Insurance Company**, in succession to Sir Clifford Naunton Morgan, who remains on the Board.

An EGM will be held on November 14 to increase the authorised capital from £200,000 to £1m, and the issued capital from £200,000 to £500,000. Permanent is a wholly-owned subsidiary of Medical Sickness Annuity and Life Assurance Society.

UBM at £3.4m midway after acquisitions boost

FROM INCREASED sales of £126.41m against £93.23m, profits before tax of the UBM Group rose sharply from £1.59m to £3.38m in the half-year ended August 31, 1978.

Although it is too early to make predictions about the year's result, Mr. Michael Phillips, the chairman expects that the favourable profit trend of the first half will continue. A prolonged Ford strike will have an adverse effect on the motors division but this represents a relatively small proportion of the group, he says.

Results of Godfrey Motor Company (Cardiff), Jeremy's Garages, Temple Meads Motors and 51 per cent of Earle of Chippenham—all acquired on September 27—have been included in the half-year results and were sales of £14.02m (£11.49m) and pre-tax profit, £360,000 (£262,000).

The interim dividend is lifted from 1.7855p to 1.96435p per 25p share—the total last year was 4.3p when pre-tax profits were £3.61m.

	6 months 1978 £000	1977 £000
Sales	126.405	93.231
Profit before tax	3.382	1.529
Tax	1.164	640
Net profit	2.198	889
Minorities	17	—
Extraordinary credits	123	124
Preference dividends	13	11
Attributable ordinary	2.291	1.000
Interim ordinary	937	795

The improvement in profit was mainly attributable to a better sales performance by the merchanting division coupled with good results from the scaffolding and motors businesses. However, there still remain companies which are not yet achieving satisfactory levels of profitability. "These residual problems are progressively being resolved," says the chairman.

See Lex

ment in the export sales performance resulting in a turnover in excess of £1m. Nigeria was again the largest single market followed by Singapore and Malaysia.

The major subsidiary, Clifton Engineers (Lytham) is now more prominent in supplying hardware for the range of distribution boards and John Nissim is supporting the increased requirement for publicity material, the chairman says.

At September 19 Mr. T. A. Fairclough and Mrs. R. E Fairclough were interested, but not beneficially, in 510,284 shares of the company. They were also interested in a further 147,000.

Mr. E. H. Dodson is interested as a trustee in various settlements whose holdings aggregate 392,288 shares while Britannic Assurance is interested in 390,000 (9.1 per cent).

Meeting, Manchester, November 15, at noon.

Scholes to benefit from new products

The new product range developed by George H. Scholes will contribute significantly to turnover in the current year, Mr. G. R. McDowell, the chairman, tells shareholders in his annual report.

The new products, completed by the development team includes protected socket outlets, distribution boards and miniature circuit breaker consumer units.

Supporting the development has meant a considerable rise in capital expenditure which was in excess of £500,000 and for the current year, the accounts show £206,000 (£190,412) contracted for and £643,500 (£238,500) authorised but not contracted for.

For the year ended June 30, 1978, pre-tax profits were a record £2.05m against £1.86m from turnover of £10.89m (£9.03m). Current cost profit is shown at £1.66m (£1.39m) after cost of sales adjustment, £102,618 (£266,305) and additional depreciation on inflation adjusted value of £266,659 (£207,350).

There was a steady improvement in the export sales performance resulting in a turnover in excess of £1m.

Authority Inv. improves and outlook good

Recovery at Authority Investments was sustained in the first half of the year to March 31, 1978 with a turnaround from a £269,324 pre-tax loss to £217,513 profit. The total included sharply reduced surplus on sales of investments at £32,490, against £327,288.

The group has continued to trade successfully during the second half and prospects for the full year are of further progress, the directors say. Last year the second half upturn produced a full time profit of £397,000 (loss £180,980).

Trading by the group, which has interests in banking, investment dealing and property holding and development, showed a surplus of £404,298 (£20,730) and interest amounted to £358,312 (£644,836)

The release of £23,032 (£52,596) exceptional provision for exchange loss on a foreign loan repayable by a banking subsidiary in September, 1978, and an extraordinary debit of £88,000 (nil) left the attributable surplus at £202,545, compared with a £215,048 deficit

Provident Life of London

A slightly improved underwriting situation for the first nine months of 1978 on its general insurance business is reported by the Provident Life Association of London.

The results given for the two general insurance companies in the group United Standard Insurance and Vigilant Assurance show an underwriting loss over the period of £183,000 compared with £103,000 for the corresponding period in 1977.

Investment income was slightly ahead at £253,000 and with lower expenses and exchange adjustments, the pre-tax profit was doubled at £60,000.

The underwriting experience of the motor account is reported satisfactory, while the property and accident account is now beginning to benefit from the recent increase in premium rates for household contents insurance. But retailers business continues to be very unsatisfactory.

However, most of the underwriting losses so far this year, as in 1977, have been due to closed accounts, mostly reinsurance business, all of which ceased to write business in 1976 or earlier. It is anticipated that these accounts will not significantly affect future results.

In July 1978, a further £200,000 share capital was subscribed by the parent company to United Standard thereby bringing the amount of issued capital to £1.2m.

Of new life and annuity premiums, annual premiums amounted to £2.47m (£1.62m) and single premiums, £468,000 against £393,000. New sums assured were £159m compared with £128m while new annuities per annum rose from £266,000 to £807,000.

The interim dividend on the A and B ordinary is raised from 3.7p to 4.1p—last year's final was 4.468p.

M. F. North £75,000 rise at mid year

Including an exceptional credit of £23,000 being a rebate of rates which were over-provided on its hotels, pre-tax profits of M. F. North advanced from £115,500 to £190,700 for the half-year to June 30, 1978. Turnover was ahead from £1.52m to £2.13m.

Sir Cyril Black, the chairman, says that the improved results were effected despite profits at Onslow Court Hotel being substantially reduced by major modernisation works which put out of use a considerable number of bedrooms.

The chairman says that business has been satisfactory in the first half of the final period, particularly in London, and that overseas visitors to the group's hotels continue to make a very substantial contribution to total turnover.

He says he has no reason to suppose that when the full year's results are available shareholders they will not be, "well satisfied with our efforts during another year."

The interim dividend is effectively increased from 0.1225p to 0.135p net per 10p share and the directors anticipate a maximum permitted final—last year's final was an adjusted 0.331p.

	Half year 1978 £	1977 £
Turnover	2,132,900	1,522,800
Hotel	1,562,900	1,296,500
Housing dev.	570,000	224,300
Depreciation, amort.	75,000	56,100
Trading profit	188,000	113,300
Int. receivable	17,900	17,800
Int. payable	15,200	15,400
Pre-tax profits	190,700	115,500
Corp tax	98,100	60,700
Net profit	92,600	54,800

Kalamazoo reaches £3.7m but margins slim

FROM SALES ahead 19.1 per cent to £21.48m, profits of Kalamazoo, the business and office systems group, before KWA bonus and tax climbed 12.9 per cent from £3.29m to £3.72m for the year ended August 1, 1978, with £1.27m against £1.15m arising in the first half.

All sections of the group contributed to the result, including Alfred Gilbert and Sons, say the directors. The group's computer services activities continued to expand and accounted for 23 per cent (20 per cent) of profits. Overall profit/sales ratio fell from 18.3 per cent to 17.3 per cent.

The year's profit was struck after depreciation of £1.17m (£0.9m). After deducting the Kalamazoo Workers Alliance bonus of £547,000 (£498,000) and tax of £1.66m (£1.46m), the net balance improved from £1.34m to £1.51m

Stated earnings per 10p share gained 0.6p to 4.7p per 10p share and the dividend total is lifted from 1.9361p to the maximum permitted 2.162p net, with a final of 1.237p.

With £187,000 (£219,000) backlog depreciation transferred to reserves and dividends absorbing £456,000 (£408,000).

The directors point out that after allowing for inflation there was an increase of almost 9 per cent in the funds generated by operations and a real growth in profits of more than five per cent.

Developments are progressing on a wide scale and prospects for the future are encouraging, even though the group is faced with a growing complexity in their operations, and getting into relatively new areas, they add.

Securities Tst. Scotland up mid-term

Total income of Securities Trust of Scotland rose from £1.3m to £1.47m for the six months to September 30, 1978, and after interest and mangement expenese, pre-tax income came out ahead at £1.19m against £1.04m previously.

After tax £428,398 compared with £389,228 earnings are shown as 3.6p (3.03p) per 25p share and the interim dividend is increased to 3p (2.25p) net. The directors intend to recommend an unchanged final of 3.85p. Last year the 6.1p total dividend was paid from pre-tax income of £2.16m.

After deducting prior charges at par net asset value per share for the first half is given as 248p (229p), and 267p (248p) at market value.

Wilmot Breeden near £1m fall at interim stage

REDUNDANCY and reorganisation costs of £800,000 hit pre-tax profits of Wilmot Breeden (Holdings) in the first half of 1978 and they finished the period nearly £1m adrift at £1.82m.

	First half 1978 £000	1977* £000	Year 1977 £000
External sales	51,744	45,841	90,236
Trading profit	2,379	3,451	6,745
Interest	[illegible]	[illegible]	1,087
Profit before tax	1,824	2,819	5,676
UK tax	199	294	[illegible]
Overseas tax	1,255	1,032	2,285
Net profit	370	1,352	2,074
Minority profits	7	4	5
Pref. dividends	54	54	109
Attributable to Ord.	279	1,295	2,957

* Restated to reflect the change in accounting policy in relation to deferred tax.

For the full year these costs will be about £1.3m and, in view of the present uncertainty surrounding the UK motor industry, they will be charged as an ordinary trading expense. However, the directors say that they do not expect this expenditure will continue at such a high rate.

On prospects for the year they state that even a modest recovery in demand in the UK and Australia would radically improve the position, since measures taken have resulted in a slimmer and more effective organisation. Nevertheless, the improvement in results expected in the second half of the year will depend on the duration of the present shutdown at Ford.

First half earnings per 25p share are shown to have slipped from 6.2p to 1.3p and the net interim dividend is held at 1.2p. Last year's total payment was 3.08157p from profits of £5.68m.

The directors report that the UK and Australian motor component companies have suffered from an unprecedented series of events affecting their customers: strikes, model changes and the closure of the Leyland Speke plant have all reduced demand.

Strikes at *Leyland Bathgate, Chrysler Dodge and Ford*, and the cessation of imports by Nigeria all took their toll on Telehoist.

Although Truflo's fan sales increased, first half demand from the aerospace and petrochemical industries was low. This trend has now been reversed and incoming orders are at a high level.

The electronics company has recovered well and is now producing satisfactory results.

The group's subsidiaries and investments in France, Spain and Italy have continued to do well in more stable trading conditions than those obtained in the UK.

● comment

Just about everything possible went wrong for Wilmot-Breeden in the first half and the company's UK operations slipped into the red: the £1.8m group pre-tax profit takes in a £2m contribution from France. The room for recovery is substantial, but the Ford strike and some production hold-ups at Truflo, the turbine and fan subsidiary, together with another large charge on profits from redundancy payments, will prevent the second half from realising its full potential. All the same, the company's business *in Australia* and the *electronics* side at home are now beginning to make profits and unless the Ford strike is interminable there could be pre-tax profits of £5m this year, after redundancy and re-organisation charges of £1.3m, compared with a pre-tax £5.7m in 1977. Even assuming the final *dividend* is not raised and the tax charge is as high as 60 per cent, the shares, at 67p, yield 7.0 per cent on a prospective p/e of 7.5, a rating that reflects the company's uncomfortable dependence on British Leyland rather than its prospects for earnings recovery.

Towry Law funds reach £10m mark

Total funds under management by Towry Law Unit Trust Service *has now* reached the £10m mark, the bulk of which has been received since September 1976. The service is operated by leading brokers Towry Law to advise investors seeking equity investment through unit trusts on how their funds should be deployed and to structure the portfolio to meet the requirements of clients.

Mr. Richard Cockroft, a director of Towry Law, stated that there were now over 200 authorised unit trusts in existence, offering a wide variety of investment aims. It was becoming increasingly difficult for investors, particularly first time investors, to construct a unit trust portfolio without the guidance of professional advisers. The scheme was finding that an increasing number of existing and potential clients were showing interest.

Towry Law received regular information and recommendations on the leading unit trust management groups from the Hoare Govett Unit Trust Advisory Service operated by stockbrokers Hoare Govett. Clients of Towry Law are also offered the ongoing services of Hoare Govett's advisory services under which their portfolios are reviewed every six months.

Towry Law has never promoted this unit trust service at the expense of its other personal finance and investment services. Nevertheless, commissions received from unit trust business now account for 10 per cent of the commission income of the company.

128 companies wound up

COMPULSORY WINDING-UP orders against 128 limited companies were made by Mr. Justice Brightman in the High Court. They were:

J. R. Blakey and Son (Electrical Contractors), D. Heron, Ross Oakwood, K. A. Spencer (Builders), ABC Radio Taxi Services (Merseyside), Stuart Martin Garages, Doherty and McGill Contractors, Megalex, Tavros Metals and Minerals.

Rautobourne, Antique City, Currendon Garages, Kar Wor Garment Factory (UK), The Young Organisation, Mid-Kent Pipe Fabrications.

Byron Rent-A-Car, Byron Auto Services, Byron Hire, Byron Motors, Paracote, Mistville Industrial Services.

John Sale and Associates, Assonal Designs (Dorking), BM Non-Ferrous (Bristol) Homes for Luxury Living, West Cheshire Motor Company, Purley Hide and Skin Company, E and BS Shipping Services.

E. J. Martin and Co., P. Clancy and Sons, Ajax Supplies (Welling), ISE Sound Equipment, Browbridge, Carsley Estates, Chaffcombe Farms.

Cossall Securities, Water Sport Centre, K. Lynch Plant (Bourne), Millreach, Northern Developers, Ridley Asphalte Company, Sir Patrick Crofton Developments, Spencer Park Freeholds.

Starfern, Sutton Street (Leasing), Tenino, Multiways Freighting, Supershoe, AML (Management), AML (Business Equipment).

Kingsbury Securities, Head Shirts, Erko, Starstock, J. D. Froggatt, Hilden Swimming Pools, B. G. Collings, Ell House.

Miniature Machining Company (Manufacturing), J. G. Gilman (Poultry), Ross-on-Wye Properties, R. Vaughan (Decorators), London Brooklyn Industrial Maintenance.

Milander Securities, Framus (Musical Instruments), Harron Agencies, Aber Development Chelmline Trenchard Builders.

Bagnell and Jennaway, Dortmay Constructions, Macgilwood, South London Agents (Import and Export), Pan Combine, Stewart and Poyle.

Whitter Investments, Varcroft, Marlsbridge Builders, Woodward Securities, Sky Sports.

Salon Design (Manufacturers), Prodiampex, Falbrent Properties, Ark Sales (Toys), Valer Records (UK), Hilician Caterers, Attyflynn Construction.

J. T. Nunn (Furnishings), Erison Transport Services, Sneferu, Shellfield Upholstery, The Smooth Set, Willdon Motors, Martin Barnett (Concessions), Seeonee Security Co.

Indoben, Snap-Fast Insulation Supplies, R. J. Powell and Son, Castlegrange, Astra (Hair and Beauty Consultants), J. H. Wade, Vanguard Music.

Avant Garde Records, Rochester Square Investments, Fileoak, Hughes and Ruddy (Builders and Contractors), Martins Wine Merchants, K.S. Facilities, Kellergrade, Home Services (Maidenhead).

Raunds Haulage, C. and A. Ceilings and Company, Fitzroy S. Biggs and Company, Monolite Caravan Manufacturers Company, Graybourne.

Tom Lomas Plant, Churstonheight, Hallhill, Nor/West Batteries, Techscaff, R.C.A. (Engineering), J. Baylon.

Bandeck, Diamondsinks, Intexpak, B. H. Cooper, Binoglen, Hazeltine Holdings.

Lowland Drapery up

The directors of Lowland Drapery Holdings report a rise in pre-tax profits from £116,100 to £121,300 for the first six months of 1978 on turnover of £2.71m against £2.3m. They add that the sales increase has continued into the second half and with consolidation and development expenses behind them, they anticipate satisfactory trading profits for the rest of the year.

In 1977 the group's pre-tax profits recovered from £131,765 to £228,446.

First half pre-tax figures were struck after depreciation £31,300 (£22,400) and bank and loan interest of £27,400 (£26,000), and were subject to tax of £65,900 against £61,800. The gross interim dividend is increased from 1.3p to 1.4p per 25p share, the final for last year being 3.965p.

Medminster

Following an advance from £34,733 to £78,445 at midway, pre-tax profits of Medminster reached a peak £202,714 for the year ended June 30, 1978, compared with £136,763 last time.

Stated earnings rose from 2.65p to 4.14p per 10p share and a final dividend of 2.02665p (1.0088p) net, lifts the total payment from 1.3088p to 2.02665p.

RESULTS AND ACCOUNTS IN BRIEF

BISHOPSGATE PLATINUM—Results for August 31, 1978 year already known. Group investments R6.24m (R6.21m), net current assets R25,000 (R200,000). Company intends to change its name to Impala Platinum Holdings; to change year-end to June 30; to declare dividends half-yearly instead of quarterly. At year-end, Union Corporation held 10.9 per cent (12.2 per cent) of equity. Meeting, Johannesburg, November 1[illegible].

BRITISH EMPIRE SECURITIES AND GENERAL TRUST—Gross income for year to September 30, 1978, £276,042 (£244,166). Net revenue £153,414 (£142,425) after tax. Second interim [illegible] final 0.35p making 0.6p [illegible] per share.

CANTORS (furniture retailer)—Results to April 29, 1978, previously reported. Fixed assets £2.79m (£2.65m), current assets £9.77m (£8.96m), liabilities £5.23m (£5.73m). Improvement in trading of last year is continuing. Meeting, Sheffield, November 3, at noon.

DERBY TRUST—Based on unaudited figures at September 29, 1978, total value of portfolio £15,290,685 compared with £14,317,352 at June 30. Assets attributable to Capital holders £10,435,391 equivalent to [illegible] per share (£9,564,868) equivalent to £3.7[illegible] at June 30.

GARTONS (agricultural seedsmen)—Turnover in the year ended April 15, 1978 was £1,770,349 (£2,371,909). Profit £56,958 (£43,4[illegible])—no tax (same). Earnings per share 2.49p (1.83p).

SHIRES INVESTMENT COMPANY—For half year to September 30, 1978. Net revenue £126,394 (£121,220) after tax £87,291 (£83,999). Net asset value per share 160.21p (155.93p). Interim 3p (same) already paid.

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Marshall's Universal set for peak on brisk trading

PROGRESS CONTINUED at Marshall's Universal, in the first half of 1978 with taxable profit expanding from £1,822,000 to £2,036,000 on sales £2.93m better at £27.85m.

Trading has remained buoyant in the second half and the directors expect the full-year figures to exceed the record £3.54m profit last time.

Tax for the half-year took £985,000 (£871,000) leaving the net surplus up from £951,000 to £1,051,000 for earnings per 25p share of 17.57p (17.34p) on capital increased by a one-for-five scrip issue.

The net interim dividend is raised to 3.4896p (3.125p) and the directors anticipate increasing the dividend for the year by the maximum permitted. Also another one-for-five scrip is proposed. The final for 1977 was 3.2881p.

It is also planned to increase authorised share capital by £0.5m to £2m. After the scrip 20.77 per cent of the capital will be unissued. This will make capital available, should it be required, for acquisitions in line with the directors' policy of expansion within the field of distribution and provision of complementary maintenance and manufacturing facilities, the chairman says.

The company's performance in the first half was achieved despite a downturn in the outcome from some of its trading activities. However this arose where reorganisation expenses were involved, and which will result in future benefit, or where there was a general trade setback, Mr. R. L. Doughty, the chairman, explains.

Motor distribution profits in the UK were held back by setting up costs at the recently acquired Hove branch. Better results have been seen in brisk trading in this activity over the past three months.

The reorganisation completed at the group's manufacturing company BMAC was reflected in a substantial percentage rise in both turnover and profits.

In the paper and board division costs arose from the establishment of a new warehouse, the benefits of which are expected to appear after completion in March, 1979.

The extension of the premises of M and F Components enabled this company to extend its trading and here the trading results were more than satisfactory, Mr. Doughty states.

Also, in East Africa the results of previous planning and reshaping were showing through during the six months. The Delta companies, which distribute Lucas products, recovered with very large advances in profit.

A return to a normal pattern of trading caused a lower surplus for Marshall (East Africa) but this reflected a telescoping of the bunching of vehicle sales in Peugeot sales last year predominantly into the first six months.

Sales will be more evenly balanced this year and the directors are expecting a record full year result here.

All group companies in Tanzania are doing exceptionally well following an improvement in import quotas which has enabled the group to import more spares and components.

● comment

After a slow start, the performance at Marshall's Universal has been improving. At the interim stage, pre-tax profits are up by almost 12 per cent and the figure for the full year is likely to be 15 per cent higher at £4.1m. There has been some benefit from the strong demand for new cars in the UK and the second half will get an added impetus from the launch in June of the Peugeot 305—a family saloon aimed at the Ford Cortina buyer. But UK motor distribution accounts for only 10 per cent of total profits, and East Africa is still the group's main contributor. The motor components operations there substantially increased profits, while its Tanzanian activities are doing well but in Kenya, a return to normal trading conditions after last year's first half meant that results were slightly lower. However, an improved full year performance is anticipated. The interim figures were better than the market anticipated and the shares rose 5p to 149p. At this price there is still a little growth left as the fully taxed prospective p/e is 4.5 and the yield is above average at 8 per cent.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Alginate Industries, Canadian and Foreign Investment Trust, Coates Brothers, De Vere Hotels and Restaurants, Dunbee-Combex-Marx, Eastern Produce, General Scottish Trust, Gerrard and National Discount, Hawker Siddeley, House of Lerose, Industrial and General Trust, F. J. C. Lilley, London and Montrose Investment Trust, Municipal Properties, New London Properties, Scottish Mortgage and Trust, United Engineering.

Finals: Brunifete Investments, Free State Geduld Mines, Free State Saaiplaas Gold Mining, Guildhall Property, London Scottish Finance, London Shop and Property Trust, President Brand Gold Mining, President Steyn Gold Mining, Sandhurst Marketing, Spencer Gears, Welkom Gold Mining, Western Holdings.

FUTURE DATES

Interims:	
Caledonian Associated Cinemas	Oct. 23
Continental Union Trust	Oct. 25
Coral Leisure	Oct. 26
Hoveringham	Oct. 25
Lindsay and Williams	Oct. 25
Minet	Oct. 26
Munster Assets	Oct. 27
Roberts Adlard	Nov. 7
Senders	Nov. 7
Scott and Robertson	Oct. 24
Finals:	
Anglo Scottish Investment Trust	Nov. 7
Hudson (John)	Oct. 30
Low (William)	Oct. 31
Martonair International	Nov. 7

Midyear advance by Websters

FOR THE first six months of 1978, profits of Websters Publications advanced from £160,000 to £237,000, subject to tax of £123,000 against £83,000.

The directors say the first six months of the year are traditionally the least active period for the group's major subsidiaries in its book distribution division and the bulk of group profits will continue to be earned in the second half.

For the previous 15 months period, taxable profits reached £905,000 and on an annual basis were £724,000.

Although the directors expect an improvement on the latter figure, they point out that holders should not assume that the full year's profits will show the same percentage increase over 1977 as that of the first six months.

The net interim dividend per 5p share is 0.590838p (0.536p) and following ACT reduction an additional 0.009142p is to be paid in respect of the previous 15 months, making the total for that period 1.684992p.

Viking Resources at £166,000

After interest and expenses of £138,339, against £140,545, taxable revenue for Viking Resources Trust for the six months to September 30, 1978, was marginally up from £162,631 to £165,983.

Net asset value per 25p share at halftime was up 11p at 128p compared with the March 31 year-end figure and investments were down at £12.98m (£15m). Borrowings were also lower at £1.91m (£2.06m).

Tax took £63,461 (£61,755) leaving the available sum at £102,522 (£100,876) for earnings per share 0.02p up at 1.03p. Last year pre-tax revenue was £327,206.

Revenue for the half-year was maintained at £304,322 (£303,176) with declines in franked investment income to £120,261 (£127,193) and underwriting commissions from £11,256 to £459, offset by a rise in unfranked income to £183,602 (£164,727).

The trust's investments are related to the development of natural resources, particularly oil and gas in the North Sea.

Northern Industrial

With investment income and net rents better at £117,533 against £104,281, pre-tax profits of Northern Industrial Improvement Trust increased from £83,027 to £94,956 for the year ended March 31, 1978.

After a tax charge of £37,311 compared with £28,192, net profits were little changed at £57,645 against £55,735.

Stated earnings are 4.7p (4.6p) per £1 share and a final dividend of 3p net lifts the total payment from 4.2p to 4.65p.

Dalgety hacks back Australia

A SUBSTANTIAL cut back in its Australian activities has been made by Dalgety following a total reappraisal of its involvement there. Against a background of reduced farm income the Australian subsidiary, a one-time major contributor to group profit, had fallen into loss in three out of the past four years.

Given the present improved prices for beef and cattle, firm demand for wool and sheep meat and the reorganisation, Mr. David Donne, the chairman, says he is now confident that the Australian company will return to profit in the current year.

In 1977-78 group taxable profit climbed to £24.4m (£17.1m) with Australia the only region showing a loss with a deficit of £0.6m.

The most important conclusion of the review in Australia was that there is clearly an effective and profitable long-term role for the group in that country but some of the activities were unlikely to produce a return to match the risks.

It was, therefore, decided to continue to reduce the company's ownership of pastoral properties; reduce the size of its urban property development and investment; close its frozen food retail shops and withdraw from several relatively insignificant operations.

In addition, it was decided that the stock and station agency business could be made profitable if reorganised.

As a result, total capital employed in the region had been cut by £18m up to June 30 this year and since then further capital has been realised, Mr. Donne reports.

By contrast, since the rights issue 18 months ago, in the UK £9.7m has been spent on improving and adding to plant and equipment and £13m has been put into acquiring companies. In North America three companies were bought for a total of £6m financed by borrowings in the Euro-dollar market.

As known, a 2-for-11 rights issue was announced in September last which will provide additional financial resources and flexibility to develop the group both in the UK and overseas.

In addition to the purchase of the business during the year the group continued to invest heavily in its existing activities. Capital spending on new income producing and cost saving operations reached £14.2m.

Among the major items involved were an increase in sawmill capacity in Canada, up-grading and modernising of vegetable processing plant in Salinas, California; a new export lamb-kill line at Aotearoa Meats in New Zealand and a second nucleus pig herd in the U.S.

From the time 10 years ago when 90 per cent of the group's assets were invested in Australia and New Zealand, the spread today is UK 36 per cent, North America 14 per cent, New Zealand 23 per cent and Australia 27 per cent.

For the year to June 30, 1978, the UK was the chief contributor to group profit with £10.8m pretax. Canada produced £8.2m, New Zealand £4.9m and the U.S. £2.6m, while the group head office costs absorbed £1.5m.

Total sales were better at £787.1m (£725.2m) with UK exports ahead from £19.7m to £36.7m.

Meeting, 10, Upper Grosvenor Street, W, on November 10, at 12.30 pm.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1970=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1977							
2nd qtr.	105.5	102.4	106	102.5	222.0	1,330	163
3rd qtr.	106.3	103.2	106	104.3	234.2	1,413	151
4th qtr.	105.8	102.0	107	104.4	239.4	1,431	157
1978							
1st qtr.	107.0	102.3	110	106.3	246.0	1,409	188
2nd qtr.	110.5	104.2	108	108.0	254.2	1,367	213
May	109.6	102.9	115	108.4	255.2	1,366	210
June	111.0	105.0	106	108.7	257.3	1,365	217
July	110.2	104.1		111.4	265.8	1,371	211
August	110.7	105.0		111.8	270.3	1,392	209
Sept.				110.5		1,378	219

OUTPUT—By market sector: consumer goods investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
2nd qtr.	104.1	97.7	115.9	98.9	102.4	100.8	25.1
3rd qtr.	104.2	98.7	116.5	99.8	107.7	101.2	25.4
4th qtr.	104.6	97.5	114.3	98.6	95.2	100.1	20.7
1978							
1st qtr.	105.0	99.9	116.2	100.9	95.4	97.0	17.8
2nd qtr.	106.5	99.6	121.7	101.1	108.3	98.4	26.7
March	105.0	100.0	116.0	101.0	100.0	97.0	20.7
April	107.0	99.0	123.0	102.0	107.0	102.0	25.4
May	105.0	100.0	120.0	101.0	106.0	96.0	25.1
June	107.0	100.0	123.0	101.0	112.0	97.0	29.6
July	104.0	101.0	123.0	101.0	113.0	100.0	23.6
August	108.0	101.0	122.0	103.0	96.0	101.0	20.2

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1977							
2nd qtr.	118.0	109.6	−762	−297	−745	100.3	14.9
3rd qtr.	124.4	106.6	+ 31	+574	−602	101.0	13.4
4th qtr.	117.6	102.7	− 5	+507	−657	102.4	20.39
1978							
1st qtr.	119.9	114.1	−612	−317	−646	104.9	20.63
2nd qtr.	122.2	109.6	−135	+198	−420	104.5	16.75
May	119.2	113.8	−227	−116	−115	105.2	16.66
June	121.6	111.3	−100	+ 11	−116	104.2	16.54
July	127.0	115.8	−132	− 57	−229	104.5	16.74
August	124.9	111.4	+ 57	+132	−104	105.7	16.4
Sept.	126.7	120.9	−194	−119	−176	105.6	16.51

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
2nd qtr.	24.8	14.9	5.5	+769	1,290	1,047	8
3rd qtr.	28.0	10.4	20.3	+365	1,084	1,149	7
4th qtr.	23.2	12.6	8.8	+698	1,565	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,791	1,049	1,260	6½
2nd qtr.	8.5	13.7	24.7	+2,869	694	1,393	10
May	13.1	17.2	18.3	+1,128	212	471	9
June	8.5	15.7	24.7	+315	147	459	10
July	9.3	9.5	35.1	+114	200	458	10
August	5.5	1.5	15.9	−276	200	493	10
Sept.					346		10

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
2nd qtr.	114.5	149.5	138.3	181.9	191.1	50.0	61.6
3rd qtr.	116.1	146.4	142.9	184.7	192.1	239.9	61.8
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	228.61	64.6
2nd qtr.	129.9	146.3	152.0	195.8	203.8	242.27	61.5
May	129.4	146.8	151.9	195.7	203.2	250.67	61.5
June	133.1	147.0	152.7	197.2	206.7	242.27	61.3
July	133.6	145.8	153.8	198.1	206.1	237.68	62.1
August	131.6	144.2	154.8	199.4	206.2	248.54	62.4
Sept.		145.0	155.5	200.2	206.3	253.74	62.7

*Not seasonally adjusted.

Notice of Redemption

Transocean Gulf Oil Company

7% Guaranteed Debentures Due 1980

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of November 1, 1968, under which the above-designated Debentures are issued, $778,000. aggregate principal amount of such Debentures of the following distinctive numbers has been selected for redemption on November 15, 1978 (herein sometimes referred to as the redemption date):

$1,000 COUPON DEBENTURES BEARING THE PREFIX LETTER M

1	2517	4958	6588	8931	11336	13545	15098	18353	21933	24270	26760	28757	30221	32822	35213	37278
63	2573	4971	6896	8936	11449	13653	16070	18380	22178	24348	26793	28771	30229	33259	35220	37279
119	2583	4973	6940	9072	11526	13694	16144	18396	22190	24350	26798	28792	30234	33261	35225	37286
140	2597	4993	7032	9104	11621	13899	16180	18438	22191	24471	26830	28816	30319	33287	35231	37288
170	2598	5003	7043	9111	11622	13958	16210	18498	22199	24499	26915	28818	30327	33330	35344	37311
286	2664	5022	7095	9150	11784	13977	16282	18641	22297	24610	26981	28877	30449	33334	35358	37318
288	2672	5025	7113	9151	11793	14005	16285	18722	22332	24618	26987	28878	30453	33340	35437	37453
337	2835	5032	7121	9209	11812	14126	16302	18730	22377	24645	27086	28879	30483	33365	35438	37534
410	2846	5036	7183	9218	11825	14172	16562	18782	22548	24656	27129	28974	30523	33468	35472	37642
491	2912	5045	7187	9240	11850	14271	16577	18853	22648	24660	27248	29161	30577	33485	35538	37732
511	2989	5051	7250	9298	11868	14427	16578	18903	22650	24747	27250	29166	30624	33538	35656	37748
593	2991	5054	7256	9350	11879	14451	16705	18930	22679	24761	27252	29223	30688	33542	35893	37817
677	3207	5108	7372	9402	12099	14513	16724	18931	22691	24813	27270	29295	30736	33569	35903	37924
749	3208	5110	7396	9457	12153	14530	16732	18948	22699	24850	27271	29321	30794	33682	35909	38088
762	3229	5111	7475	9469	12306	14542	16754	19261	22796	25029	27276	29323	30933	33770	36073	38228
846	3230	5116	7754	9706	12340	14715	16779	19332	22916	25183	27300	29328	30950	33890	36142	38232
855	3301	5129	7763	9752	12449	14732	16788	19348	22921	25258	27353	29348	31068	33909	36157	38879
887	3311	5242	7811	9754	12487	14776	16832	19866	22922	25263	27380	29397	31077	34001	36226	38935
892	3314	5248	7829	9811	12520	14926	16866	19872	23024	25391	27424	29400	31106	34027	36305	38979
1071	3329	5315	7846	9853	12632	15057	17033	19987	23134	25407	27449	29460	31177	34033	36330	38981
1138	3354	5378	7991	9955	12642	15121	17035	20009	23175	25408	27478	29462	31188	34056	36385	39010
1141	3379	5381	8023	9981	12644	15178	17082	20074	23185	25412	27497	29471	31230	34112	36392	39045
1153	3504	5395	8067	9987	12751	15183	17084	20088	23197	25414	27773	29494	31264	34363	36439	39071
1285	3506	5435	8090	9996	12828	15225	17136	20102	23214	25566	27814	29495	31277	34367	36440	39096
1371	3515	5482	8091	10016	12844	15263	17216	20275	23238	25597	27831	29596	31368	34385	36492	39190
1434	3885	5716	8181	10022	12920	15275	17283	20278	23264	25805	27938	29619	31486	34469	36553	39226
1612	3889	5724	8201	10046	12947	15300	17456	20309	23282	25874	27982	29663	31554	34609	36557	39227
1614	4059	5763	8222	10128	12968	15369	17647	20313	23283	25885	28040	29693	31555	34610	36658	39271
1651	4113	5767	8223	10129	12991	15402	17660	20635	23314	25993	28059	29718	31689	34640	36693	39293
1750	4212	5788	8291	10140	13062	15460	17669	20642	23322	26020	28086	29721	31716	34661	36697	39368
1776	4291	5813	8295	10198	13071	15487	17671	20827	23336	26102	28173	29723	31731	34664	36724	39525
1913	4321	5856	8322	10213	13081	15508	17777	20880	23374	26179	28185	29853	31798	34668	36755	39539
2130	4353	5889	8454	10236	13107	15547	17848	20887	23380	26214	28206	29874	31900	34705	36760	39561
2176	4409	5892	8470	10270	13215	15562	17849	20954	23432	26300	28275	29880	31906	34744	36825	39565
2242	4414	6008	8498	10643	13232	15654	17861	21029	23466	26307	28304	29881	31970	34753	36828	39626
2278	4415	6112	8539	10901	13296	15686	17864	21041	23475	26430	28349	29895	31978	34779	36967	39653
2304	4434	6134	8545	10937	13300	15705	17871	21326	23605	26461	28350	29948	32070	34806	36976	39668
2309	4482	6316	8648	10940	13314	15773	17897	21328	23607	26477	28352	29964	32144	34848	37011	39762
2333	4559	6414	8769	10982	13321	15775	17980	21430	23722	26528	28384	29970	32210	34867	37023	39918
2375	4576	6432	8780	11017	13324	15782	18140	21542	23809	26532	28526	29986	32225	34963	37028	39922
2378	4581	6468	8806	11071	13351	15789	18141	21546	23827	26610	28528	30071	32247	35013	37081	39980
2380	4599	6476	8824	11084	13364	15808	18144	21577	23987	26632	28550	30118	32316	35056	37106	39992
2382	4635	6486	8837	11185	13395	15823	18158	21592	24010	26680	28557	30133	32318	35081	37121	
2388	4697	6489	8859	11251	13426	15850	18165	21717	24145	26696	28558	30148	32537	35083	37124	
2405	4784	6517	8864	11301	13446	15853	18204	21745	24181	26698	28577	30157	32558	35084	37129	
2490	4834	6532	8895	11334	13498	15967	18339	21911	24223	26726	28654	30187	32734	35197	37190	

The Debentures specified above are to be redeemed for the Sinking Fund (a) at the **WCG-Corporate Bond Agency Services Department of Citibank, N.A. (formerly First National City Bank), Trustee** under the Indenture referred to above, **No. 111 Wall Street, in the Borough of Manhattan, the City of New York,** or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, and Citibank (Belgium) S.A. in Brussels and Citibank (Luxembourg) S.A., in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on November 15, 1978, the date on which they shall become due and payable, at the redemption price of 100 percent of the principal amount thereof, together with accrued interest from November 1, 1978 to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue. Upon presentation and surrender of such Debentures with the November 1, 1979 coupon and all coupons appertaining thereto maturing thereafter, payment of principal plus accrued interest aggregating $1,003.72 for each $1,000 Debenture will be made out of funds to be deposited with the Trustee.

The amount of any missing unmatured coupons will be deducted from the sum due for payment.

Transocean Gulf Oil Company
By: CITIBANK, N.A.
as Trustee

October 13, 1978.

BIDS AND DEALS

Alfred Preedy third contender for Midland Educational

A THIRD contender yesterday emerged in the growing struggle for control of Midland Educational, the Birmingham-based bookseller and stationer, with Alfred Preedy launching a bid worth £3.3m.

This tops the £2.1m cash bid from Pentos and the shares and cash offer from Lonsdale Universal worth £2.9m.

Preedy, the Midlands-based tobacconist and newsagents group, is bidding one of its own shares plus 387p cash for every two Midland shares. The bid values each Midland share at 235½p but this is still some way below last night's closing price of 246p.

Midland has already rejected the Pentos and Lonsdale terms as being inadequate and said last night that it would need a little time to consider this latest approach. The cash element of Preedy's bid is £2.7m.

Meanwhile there is some market speculation that other potential bidders are waiting in the wings—which may yet make an approach.

Preedy which has a total of 161 retail outlets says that its offer is conditional upon the terms being recommended by the Midland directors. It says that there were substantial advantages for a merger and that it intended to extend its retailing interests in areas of activity already covered by Midland.

Midland has wide interests in educational books—an area where Preedy has little or no involvement. Preedy starts with a 1.3 per cent stake in Midland. It is also bidding 65p cash for each Midland 3.85 per cent preference share.

The two other contenders in the takeover struggle said last night that they had no plans, at present to pull out of the bidding. Pentos has extended its terms for a fortnight while Lonsdale said that it had asked Midland to name the terms at which it would be prepared to accept a bid.

CHRISTIES

Christie's International has reached agreement for the acquisition of J. and R. Edmiston, Glasgow auctioneers and valuers, as a going concern, for £100,000. This includes heritable or freehold property.

CHRISTIE TYLER EXPANSION

Christie-Tyler, the furniture manufacturers, has acquired Olympic Kitchens for an initial purchase price of £1½m.

However, this price may be increased—depending upon Olympic's profits record up to April 30, 1978.

Last year Olympic earned pretax profits of £481,000 and spokesman for Industrial and Commercial Finance Corporation — Christie's financial advisers, holding a 30 per cent stake in the furniture group—said that if this level of profits was maintained then Christie would have to pay an extra £251,000.

Olympic is a private company based in North London and manufactures a range of kitchen units.

AARONSON BUYS FROM FORMICA

Aaronson Bros. has purchased for about £1m from Formica its manufacturing facilities for the production of MFC (Melamine faced chipboard) and extruded plastics products.

The purchase covers Formica's plant producing MFC boards in both full and cut sizes for the industrial and consumer markets. It also incorporates a plastics extrusion plant for the manufacture of PVC drawer sections.

Aaronson intends to relocate these manufacturing facilities at its various plants throughout the UK and Eire.

Total consideration including stock, which has yet to be valued, is expected to be in the region of £1m cash payable on an agreed basis over about two years.

CENTREWAY AND WHITEHOUSE

The directors of Centreway and George Whitehouse (Engineering) announce that further to the statement issued last week discussions are proceeding between the two companies with a view to a possible merger of certain interests.

Shareholders will be fully informed of any developments and a further statement will be issued as soon as any detailed terms become available. In view of the complex nature of the negotiations this is likely to be several weeks.

ASSOCIATES DEALS

De Zoete and Bevan, brokers to Argus Press Holdings, sold 24,325 Tridant Group Printers at 99½p. Following this sale, interest of Chirit Investment Co. in Tridant has been reduced from 910,790 shares to 886,465 shares.

Montague L. Meyer, an associate of International Timber, bought 25,000 Bambergers at 80p. Total held now 330,000 shares.

Baring Brothers and Co., advisers to the Argus Press Holdings, announce that they purchased 251,305 ordinary shares in Tridant Group at 100p for their own account.

Hill Samuel sold for a discretionary investment client 30,000 Legal and General at 137p.

NO PROBE

The Secretary of State for Prices and Consumer Protection has decided not to refer the proposed merger between Legal and General Assurance Society and Glanfield Securities to the Monopolies Commission.

SHARE STAKES

Allied City Share Trust—Major A. A. Greenwood holds 30,000 shares (6.18 per cent).

Associated Sprayers—London Trust Company holds 300,000 shares (8.26 per cent).

Federated Land and Building Company—Industrial and Commercial Finance Corporation, being interested in more than 5 per cent, has sold 180,000 shares.

G. T. Japan Investment Trust—Merchant Navy Officers Pension Fund has increased its holding to 415,000 shares (8.3 per cent).

Energy Finance Trust broadens capital base

Scottish Northern Investment Trust is to subscribe for 900,000 new ordinary shares in Mr. Dennis Barkway's Energy Finance and General Trust at 28p a share. The move will be subject to shareholders' approval.

At the same time a rights issue of 882,429 new shares—at 28p a share—is to be made by Energy Finance. This is to be underwritten by the London Trust Company.

Moorside Trust is to sub-underwrite part of the issue and will subscribe for up to 100,000 shares not taken up by existing shareholders.

London Trust has been a shareholder in Energy Finance since January, 1975, and the underwriting arrangements have been calculated to ensure that London Trust will continue to hold not less than 14.72 per cent of the enlarged capital. But Scottish Northern has not previously held shares in the company and after its subscription will hold approximately 19 per cent of the enlarged capital.

Mr. Barkway said yesterday: "It is very gratifying to have the support of these institutions. The progress of the company so far has been satisfactory but we believe that the increased capital base will assist the company's operations as an issuing house and financial adviser."

HEWDEN-STUART PURCHASE

Hewden-Stuart Plant is to acquire the capital of Mair and McCartney (Scotland), for a total consideration of 547,442 shares.

Mair is engaged in the manufacture of cabs for the earth-moving industry and mechanical engineering. Net tangible assets at July 31, 1978 were £351,860 and pre-tax profit for year 1977 £76,278. Mair estimates that in the 13 months to January 31, 1979 pre-tax profit will exceed £80,000.

ARBUTHNOT LATHAM

A new partner was announced yesterday for Arbuthnot Latham Asia, the merchant banking subsidiary of Arbuthnot in Singapore. Only last month Arbuthnot bought out Standard Chartered Bank which had been an equal partner in the bank (previously known as Chartered Merchant Bankers). Now Philadelphia International Investment Corporation is to take a 21.6 per cent interest.

Arbuthnot paid Standard Chartered £140,000 for the other half of the equity and has also increased the share capital to S$5m. Philadelphia, a subsidiary of Philadelphia National Bank, has subscribed S$1.08m for a 21 per cent stake in the enlarged equity. The two companies have had dealings before. Philadelphia owns shares in Arbuthnot Latham Holdings.

NO TALBEX BID WITHOUT HOLDER APPROVAL

Talbex has promised not to bid for Hoskins and Horton without approval from Talbex shareholders at the forthcoming EGM.

Replying to Hoskins' latest circular which opposes takeover plans, the Talbex board also says it will consider an offer only "if the terms are, in the opinion of the directors, in the best interests of Talbex."

The Board advises Talbex shareholders to ignore the letter from Hoskins chairman Mr. Jack Lloyd.

It adds that the directors are surprised that the chairman of Hoskins and Horton should have embarked upon a course which could effectively result in an offer being frustrated and in the shareholders of Hoskins and Horton being denied the opportunity to decide on its merits."

BANKERS TRUST SELLS STERLING CREDIT STAKE

Bankers Trust International has sold its holding in Sterling Credit Group. The shares have been bought as to 36,297 by St. Magnus Investment Trust Company, an investment company owned by Mr. G. F. K. Morgan's family, and as to 523,703 by Tregarth Finance Company, a company controlled by Mr. J. C. M. Biles and family.

The price was 17.8p per share cumulative rights. As a result of these transactions, Mr. Morgan's interest as defined in sections 28 and 31 of the Companies Act 1967 is 18.5 per cent and Mr. Biles' interest 18.3 per cent.

J. R. Harrold, director of Bankers Trust International, continues to be a director of Sterling Credit.

General Mining Group

GOLD MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 30 SEPTEMBER 1978

All companies mentioned are incorporated in the Republic of South Africa

BUFFELSFONTEIN GOLD MINING COMPANY LIMITED

Issued Capital—11,000,000 shares of R1 each.

Operating results	Quarter ended 30 Sept. 1978	Quarter ended 30 June 1978
Gold		
Ore milled ... (t)	770,000	769,000
Ore milled by Stilfontein ... (t)	27,000	32,000
Ore milled—Total ... (t)	797,000	801,000
Gold produced ... (kg)	6,724·430	6,870·291
Gold produced by Stilfontein ... (kg)	207·092	251·814
Gold produced—Total ... (kg)	6,931·522	7,122·105
Yield ... (g/t)	8·73	8·93
Yield by Stilfontein ... (g/t)	7·67	7·87
Yield—Total ... (g/t)	8·70	8·89
Working revenue per ton milled ... (R)	49·76	48·78
Working cost per ton milled ... (R)	34·42	31·45
Income per ton milled ... (R)	15·34	17·33
Uranium		
Pulp treated ... (t)	770,000	769,000
Oxide produced ... (kg)	150,900	149,600
Yield per ton ... (kg/t)	0·196	0·195
Financial (R'000)		
Working revenue ... (gold)	39,660	39,071
Working costs ... (gold)	27,437	25,588
	12,223	13,483
Tribute agreement—Vaal Reefs (Net) ...	(1,088)	(393)
Income ... (gold)	11,135	13,090
Income ... (uranium)	7,046	3,172
Tribute agreement—Vaal Reefs (Net) ...	(85)	(58)
Income on sale of pyrite ...	74	54
Income on sale of acid ...	18	21
Income at mine ...	18,178	16,279
Net additional revenue ...	489	381
Less interest ...	8	3
Income before taxation and State's share of income ...	18,660	16,657
Taxation and State's share of income ...	6,784	6,680
Income after taxation and State's share of income ...	11,876	9,977
Capital expenditure: Gold ...	6,036	4,279
Uranium and acid	428	85
Trade investments ...	—	11
Dividends: declared ...	—	12,100
cents per share ...	—	110
Loan repayments ...	—	1
Loan balance outstanding ...	27	27
Loan levies ...	737	832
Capital expenditure commitments ...	8,127	—
Capital expenditure for remainder of year	14,189	—
Development		
Advanced ... (m)	18,088	16,682
Sampling results: Sampled ... (m)	1,551	1,578
Channel width ... (cm)	114	108
Average value: Gold ... (cm.g/t)	1,682	1,415
Uranium ... (cm.kg/t)	52·69	52·55
Payable:		
Metres ... (m)	945	723
Percentage ...	60·9	45·8
Channel width ... (cm)	105	94
Value: Gold ... (g/t)	20·74	21·88
... (cm.g/t)	2,174	2,060
Uranium ... (kg/t)	0·580	0·673
... (cm.kg/t)	60·82	63·41

Development Summary

Three months ended 30 September 1978

Area	Payable metres	Percentage payable	Channel width cm.	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Pioneer Secondary	147	63·6	128	17·83	2,278	0·351	44·88
Lucas Block	105	36·1	83	20·30	1,683	0·636	52·70
Southern Shaft	300	64·9	103	22·28	2,298	0·629	64·94
Orangia Shaft	*219*	*92·4*	*96*	*21·09*	*2,029*	*0·557*	53·54
South Vaal	162	60·9	114	20·16	2,300	0·720	81·77
Eastern Shaft	12	100·0	96	31·52	3,026	0·774	74·31
Totals	945	60·9	105	20·74	2,174	0·580	60·82

REMARKS

Underground production was substantially higher than in the previous quarter and as the milling rate remained at virtually the same level, 38,000 tons of ore was stockpiled.

The increase in costs was mainly due to the increase in production, increases in salaries and wages and additional support in the lower areas of the mine following the seismic event during the last quarter.

STILFONTEIN GOLD MINING COMPANY LIMITED

Issued Capital—13,082,920 shares of 50 cents each

Operating results	Quarter ended 30 Sept. 1978	Quarter ended 30 June 1978	9 months ended 30 Sept. 1978
Stilfontein ore milled ... (t)	486,000	504,000	1,464,000
Gold produced—Stilfontein ore ... (kg)	4,179·401	4,180·863	12,293·064
Yield—Stilfontein ore ... (g/t)	8·60	8·29	8·40
Working revenue per ton milled ... (R)	48·63	44·55	44·81
Working cost per ton milled ... (R)	38·51	35·59	37·26
Income per ton milled ... (R)	10·32	8·96	7·55
Financial (R'000)			
Working revenue ... (gold)	23,731	22,450	65,600
Working costs ... (gold)	18,714	17,940	54,546
Income ... (gold)	5,017	4,510	11,054
State aid ...	—	(265)	(14)
Income on sale of acid ...	20	10	45
Income at mine ...	5,037	4,255	11,085
Net additional revenue ...	2,803	477	3,430
Less interest ...	33	35	104
Income before taxation and State's share of income ...	7,807	4,697	14,411
Taxation and State's share of income ...	3,097	580	3,728
Income after taxation and State's share of income ...	4,710	4,117	10,683
Capital expenditure ...	468	800	1,974
Trade investments ...	344	384	344
Dividends: declared ...	—	2,090	2,090
cents per share ...	—	16	16
Loan repayments ...	—	91	91
Loan balance outstanding ...	831	831	831
Loan levies ...	302	29	664
Capital expenditure commitments ...	—	—	187
Capital expenditure for remainder of year	—	—	3,493
Development			
Advanced ... (m)	7,185	7,226	21,964
Sampling results: Sampled ... (m)	1,038	1,068	3,123
Channel width ... (cm)	25	26	25
Average value: Gold ... (cm.g/t)	1,701	1,599	1,700
Uranium ... (cm.kg/t)	22·66	25·33	23·32
Payable:			
Metres ... (m)	702	603	2,025
Percentage ...	67·6	56·5	64·8
Channel width ... (cm)	29	31	28
Value: Gold ... (g/t)	76·6	79·0	81·9
... (cm.g/t)	2,190	2,425	2,307
Uranium ... (kg/t)	0·924	1·190	1·046
... (cm.kg/t)	26·44	36·54	29·44

Development Summary

Three months ended 30 September 1978

Total Development

Reef	Metres advanced	Metres sampled	Channel width cm	Gold Value g/t	Gold Value cm.g/t	Uranium Value kg/t	Uranium Value cm.kg/t
Vaal ...	1,360	1,038	25	67·0	1,701	0·892	22·66
Ventersdorp Contact	—	—	—	—	—	—	—
Commonage ...	—	—	—	—	—	—	—
Livingstone ...	—	—	—	—	—	—	—
Totals ...	1,360	1,038	25	67·0	1,701	0·892	22·66

Payable Development

Reef	Payable Metres	Percentage payable	Channel width cm	Gold Value g/t	Gold Value cm.g/t	Uranium Value kg/t	Uranium Value cm.kg/t
Vaal ...	702	67·6	29	76·6	2,190	0·924	26·44
Ventersdorp Contact	—	—	—	—	—	—	—
Commonage ...	—	—	—	—	—	—	—
Livingstone ...	—	—	—	—	—	—	—
All Reefs ...	702	67·6	29	76·6	2,190	0·924	26·44

REMARKS

Due to accidents in the Margaret shaft in the No. 1 and 5 compartments on 25 July and 2 August 1978, the tonnage milled for the quarter was 18,000 tons lower. Repairs have been effected in both compartments and production returned to normal on 23 August 1978.

Total working costs increased despite the lower tonnage milled mainly due to increases in salaries and wages and repairs to the Margaret shaft.

Included in sundry revenue is an amount of R2·5m. being insurance claim for loss of revenue following the Scott shaft fire earlier this year.

Development in the HB20 block remains a priority.

Progress on the construction of the uranium plant is satisfactory and still ahead of schedule.

WEST RAND CONSOLIDATED MINES LIMITED

Issued Capital—4,250,000 shares of R1 each
25,000 deferred shares of R2 each

Operating results	Quarter ended 30 Sept. 1978	Quarter ended 30 June 1978	9 months ended 30 Sept. 1978
Gold Section			
Ore milled ... (t)	137,400	141,400	400,300
Gold produced ... (kg)	627·596	832·820	2,216·594
Yield ... (g/t)	4·57	5·89	5·53
Uranium Section			
Gold			
Ore milled ... (t)	258,100	238,100	728,700
Gold produced ... (kg)	145·404	146·180	440·106
Yield ... (g/t)	0·56	0·61	0·60
Uranium			
Tons treated ... (t)	258,300	237,050	725,950
Uranium produced ... (kg)	82,629	72,899	227,026
Yield ... (kg/t)	0·320	0·308	0·313
Financial (R'000)			
Working revenue ... (gold)	4,367	6,054	14,880
Net revenue ... (uranium)	4,316	4,350	12,733
Net revenue ... (acid and pyrite)	4	4	13
Total revenue ...	8,687	10,408	27,626
*Total working costs ...	10,003	9,450	28,738
Total per ton milled ... (R)	25·28	24·90	25·44
Income/(Loss) ...	(1,316)	958	(1,112)
State aid ...	1,452	135	2,735
(State Aid adjustment 1977) ...	—	7	7
Net additional revenue ...	123	57	296
Income before taxation ...	259	1,157	1,926
Taxation ...	16	26	82
Income after taxation ...	243	1,131	1,844
*Excludes uranium investment costs			
Capital expenditure ...	39	48	180
Unlisted investments ...	8cr	—	8cr
Dividends declared:			
Ordinary: amount ...	—	319	319
cents per share ...	—	7·5	7·5
Deferred: amount ...	—	106	106
Rand per share ...	—	4·25	4·25
Capital expenditure commitments ...	—	—	2
Capital expenditure for remainder of year	—	—	524
Development			
Advanced ... (m)	5,845	5,548	15,805
Gold Section			
Advanced ... (m)	456	545	1,612
Sampling results: Sampled ... (m)	290	252	742
Channel width ... (cm)	82	96	95
Average value ... (cm.g/t)	1,497	1,128	1,251
Payable:			
Metres ... (m)	114	72	204
Percentage ...	39·4	28·6	27·5
Channel width ... (cm)	107	78	94
Value ... (g/t)	25·65	27·06	26·71
... (cm.g/t)	2,740	2,120	2,516
Uranium Section			
Advanced ... (m)	5,389	5,004	14,193
Sampling results: Sampled ... (m)	2,481	2,118	5,870
Channel width ... (cm)	53	54	54
Average value:			
Uranium ... (cm.kg/t)	48·71	59·88	55·44
Gold ... (cm.g/t)	108	144	130
Payable:			
Metres ... (m)	708	1,041	2,360
Percentage ...	28·5	49·2	40·2
Channel width ... (cm)	61	58	60
Value: Uranium ... (kg/t)	1·391	1·439	1·446
... (cm.kg/t)	84·86	83·22	86·15
Gold ... (g/t)	2·81	3·49	3·38
... (cm.g/t)	172	202	201

Development Summary

Three months ended 30 September 1978

Gold Section

Reef	Payable metres	Percentage payable	Channel Width cm	Value g/t	Value cm.g/t
Main Reef ...	72·0	59·3	89	25·42	2,255
South Reef ...	—	—	—	—	—
Livingstone Reef ...	—	—	—	—	—
Kimberley Reef ...	42·0	25·0	138	25·80	3,573
Ventersdorp Contact Reef	—	—	—	—	—
Totals ...	114·0	39·4	107	25·65	2,740

Uranium Section

Reef	Payable metres	Percentage payable	Channel Width cm	Uranium kg/t	Uranium cm.kg/t	Gold g/t	Gold cm.g/t
White Reef ...	—	—	—	—	—	—	—
Monarch Reef ...	103·5	17·0	29	3·127	91·77	7·63	224
Upper Monarch Reef Zone 2 ...	331·5	42·2	62	1·267	78·43	1·32	81
Upper Monarch Reef Zone 4 ...	273·0	25·1	72	1·230	88·78	3·62	261
Other Reefs ...	—	—	—	—	—	—	—
Totals ...	708·0	28·5	61	1·391	84·86	2·81	172

REMARKS

Production Development of the Bird Reef horizon increased from 2,279 metres to 2,518 metres during the quarter representing an increase of 10% compared with the previous quarter. The Monarch shaft system has been completed and development towards the reef horizon is in progress.

Tonnage milled in the uranium section increased by 20,000 tons by running the plant to maximum capacity and the introduction of continuous milling from August 1978. This resulted in an increase in uranium recovery of 9,730 kilograms compared with the previous quarter.

Uranium Spot Sales In the 1977 annual report it was mentioned that it would not be possible to make further uranium spot sales of any substantial volume. The latest estimates however reveal that spot sales of uranium for the 1978 financial year will, due to the higher production, at least equal the figure achieved in 1977.

Luipaardsvlei As announced in the press on 12 October 1978, an agreement has been concluded whereby the company has acquired the right to mine the remaining ore of Luipaardsvlei Estates.

SOUTH ROODEPOORT MAIN REEF AREAS LIMITED

Issued Capital—1,420,663 shares of 58 cents each

Operating results	Quarter ended 30 Sept. 1978	Quarter ended 30 June 1978
Ore milled ... (t)	56,400	54,700
Gold produced ... (kg)	271·257	235·037
Yield ... (g/t)	4·81	4·30
Gold produced from clean-up operations ... (kg)	50·00	—
Gold from reserves ... (kg)	88·00	—
Working revenue per ton milled ... (R)	26·76	24·90
Working cost per ton milled ... (R)	20·55	24·90
Profit per ton milled ...	6·21	—
Financial (R'000)		
Working revenue ...	1,509	1,362
Working costs ...	1,159	1,362
Profit from mining operations ...	350	—
Revenue from clean-up and reserve ...	768	—
State aid ...	—	94
Net additional expenditure ...	3	6
Income before taxation ...	1,115	88
Taxation ...	—	—
Income after taxation ...	1,115	88

REMARKS

Total working costs decreased from R1,362,000 during June 1978 quarter to R1,159,000 mainly due to

(i) Cessation of mining operations at Saxon shaft

(ii) Complete stoppage of development

(iii) Reduction in personnel.

The investigation of the possibility of employing a specialist company to undertake clean-up operations will be reported on at the annual general meeting to be held on 23 October 1978.

Shareholders' attention is drawn to the dividend declaration published in the South African press on 17 October 1978.

NOTES:

Development values quoted above represent actual results of sampling (no allowance having been made for any adjustments which may be or were necessary) when estimating ore reserves at the end of the financial years.

All financial figures are subject to audit.

The quarterly reports have been approved and signed on behalf of the respective companies by two directors.

London Secretaries:
General Mining and Finance Corporation Limited,
Princes House, 95 Gresham Street, London EC2V 7EN.

18 October, 1978.

MINING NEWS

Hamersley runs into heavy weather

BY KENNETH MARSTON, MINING EDITOR

THE RECESSION in the world steel industry in general, and that of Japan in particular, weighs heavily upon the Rio Tinto-Zinc group's big Hamersley iron ore operation in Western Australia.

Earnings have suffered a sharp setback in the September quarter with the result that the total for the past nine months amounts to only A$12.88m (£7.38m) compared with a restated A$46.37m in the same period of 1977. At this year's half-way stage they were A$11.04m.

A whole string of factors has contributed to the reduction in profits. Basically, a fall in sales revenue of 14 per cent has stemmed from lower shipments of ore—22.64m wet tonnes against 25.27 wet tonnes in the same period of last year—the appreciation of the Australian dollar against the weak U.S. dollar in which iron ore contracts are priced, and reduced prices to Europe and also on a major Japanese contract.

Costs increased and production was reduced by the inevitable industrial stoppages in this notoriously strike-prone industry. Hamersley was also obliged to make increased provision—A$12.67m against A$6.27m a year ago—for possible exchange losses on future repayments of long term loans in European currencies. The company is 54 per cent-owned by Conzinc Riotinto of Australia which, in turn, is 72.6 per cent-owned by RTZ.

Meanwhile, all is going well at RTZ's big Bougainville copper-gold operation in Papua New Guinea in which CRA holds 53.6 per cent. While most copper producers have been either losing money or barely breaking even this year, Bougainville has been raising its earnings.

They expanded to K24m (£17.8m) from K13.9m in the first-half, mainly as a result of exchange gains on the repayment of overseas loans following the revaluation of the Papuan kina against the U.S. dollar. But they also reflected the higher gold price and the mine's increased production.

Bougainville's latest report for the September quarter shows a further increase in production. It brings the nine-month totals of metal in concentrates to: copper 151,301 tonnes (131,134 tonnes in the same period of last year); gold 18,199 kilogrammes (16,072 kgs) and silver 39,382 kgs (33,809 kgs). In London yesterday Hamersley shares were 184p and those of Bougainville were 129p.

NORANDA'S U.S. ALUMINUM EXPANSION

America's Noranda Aluminum, owned by the Canadian Noranda Mines, has signed a letter of intent to buy for an undisclosed price the casting, sheet and foil plant at Huntington, Tennessee, from R. J. R. Archer, a subsidiary of R. J. Reynolds Industries.

Noranda sees this acquisition as a major step in its continuing development as a fully integrated U.S. producer of primary aluminium products. The Archer plant has an annual capacity of more than 30,000 tons of sheet and foil products.

Noranda Aluminum is based on a 140,000 ton per year reduction plant in Missouri. The company holds bauxite and alumina interests in Guinea, continuous rod and wire facilities in Missouri, an extrusion and fabricating plant in Ohio and a major warehouse distribution system through the industrial heartland of the U.S.

St. Helena does well

A GOOD showing is made by St. Helena in the Union Corporation group's September quarterly gold mining profit figures. Although the mine's latest net profit has been helped by the payment of an insurance claim for R1.18m (£690,000), there has also been an increase in production as a result of a rise in gold grade.

Despite the special payments received in the previous quarter as a result of the new method of payment on delivery for gold, all the group mines, with the exception of Marievale, obtained higher gold prices in the September quarter.

This, however, has not helped Kinross which has suffered from a fall in grade and lower gold production. The group's latest net profits are compared in the following table.

	Sept. qtr R000	June qtr. R000	March qtr R000
Bracken	1,757	1,858	1,438
Grootvlei	1,314	1,162	1,168
Kinross	3,320	3,844	3,144
Leslie	1,033	1,212	397
Marievale	698	814	142
St. Helena	7,305	5,107	4,394
Winkelhaak	5,639	5,313	4,415

In the General Mining group, Buffelsfontein has received a higher uranium profit while earnings of Stilfontein include the payment of an insurance claim for R2.5m. West Rand Consolidated says that owing to higher production spot sales of uranium for 1978 will at least equal those of last year after all:

	Sept. qtr. R000	June qtr R000	March qtr R000
Buffelsfontein	11,578	9,977	5,724
S. Roodepoort	1,115	98	5
Stilfontein	4,718	4,117	1,958
W. Rand Cons.	342	1,121	170

* After receipt of State aid. † Restated

Alcoa to build £117m. alumina refinery

AUSTRALIA'S ALCOA is to build its third Western Australian alumina refinery at Wagerup, near its other plants at Kwinana and Pinjarra, reports on Lipscombe from Perth. The A$200m (£117.6m) plant will produce 200,000 tonnes of alumina a year and is the first stage of what is proposed to become a 1m tonne operation.

Yesterday's go-ahead by the State Government culminates a bitter environmental dispute, with conservationists claiming that bauxite mining made Perth's drinking water salty and accelerated a fungus, dieback, that threatens the state's Jarrah forests.

The company and the Government have countered that the campaign has been ill-informed and histerical and that without the demand that the refinery will generate a much more important natural gas pipeline from the north-west shelf to Perth could not be justified.

Thus the campaign became a clash between the growth forces personified in the state's premier, Sir Charles Court, and the champions of non-growth. At the weekend a report on the environmental effects of bauxite mining was leaked, depicting the refinery as damaging to the forests and water supply.

The Wagerup refinery is important more for its effect on business confidence than for its influence on the alumina market, at least in the short-term. Alcoa is in no hurry to complete the development, although work on site will start as soon as possible.

Natural resources companies are under pressure to perform, since Western Australia's business community has been encouraged to gear up for a sequence of new projects that are proving slow to eventuate.

Wagerup had to withstand objections from 186 individuals and groups, and the Government is taking elaborate precautions to appease those who have objected, establishing a new authority to monitor both this refinery and other ventures using Darling Range Land, in the foothills behind Perth.

NEW PROCESS TO TREAT ORES

Representatives of major world mining companies have been invited to review a new metal ores refining process today in Fredericton, Canada. It has been developed by the New Brunswick Research and Productivity Council with part of the C$750,000 (£319,000) cost being paid for by the Federal Department of Regional Economic Expansion.

On Monday, Dr. Roy Boorman said that the development will enable mining companies to treat low-grade ore, such as is found in many areas of northern New Brunswick, to get an increased yield. He added that although the new process is confined to sulphite or base-metal ores found in the Bathurst-Newcastle areas, it does have potential for broader application and thinks that is why today's meeting is drawing so much attention.

He described the process as the first major development in zinc technology in nearly 20 years. Dr. Boorman said that as the refining picture stood, there was a limit to the amount of metals that could be recovered from ores in the northern part of the province—something on the order of 65 per cent. Under the new process, recovery could be increased to around 85 per cent.

BURMA MINES

At yesterday's meeting Mr. D. S. Middleditch, Mr. W. A. Arbuckle and Mr. D. A. H. Baer were removed from office as directors of Burma Mines. Mr. R. T. B. Green was appointed a director.

Accordingly, the proposed repayment to shareholders of 10p capital per share will not now take place, it is stated.

Australia's uranium may be even bigger

BASED ON a survey of the uranium deposits already delineated in Australia's Northern Territory, the lodes there may be much larger than so far has been estimated, according to the latest monthly report of America's Nuclear Exchange Corporation (Nuexco), a uranium broker.

The established reserves in the East Alligator River district of the territory, together with those of Canada's Northern Saskatchewan, are already considered the world's largest deposits. Nuexco says. "An estimate that in-place reserves (at East Alligator River) may eventually be increased by two or three times may prove conservative," Nuexco adds.

The report says that measured reserves for Pancontinental's Jabiluka No. 2 have been put at 224,000 short tons of reactor-grade uranium oxide, and the deposit has proven to be so large that it has been unnecessary to delineate it fully. Reserves in the much smaller Jabiluka No. 1 were put at 3,800 tons of oxide. The average grade of the ore is .39 per cent uranium and the deposits could yield 455.6m pounds of uranium oxide.

"The Jabiluka deposit alone could support a viable uranium industry in the Northern Territory," the Nuexco report says. It comments that three other deposits, at Jabiru (being developed by the Ranger Group, EZ Industries and Peko-Wallsend), Koongarra (Noranda Mines) and Nabarlek (Queensland Mines), add another 152,500 tons of uranium oxide to the total reserves in the district.

The U.S. Department of Energy estimates that the U.S., the world's largest consumer of uranium, will require about 25m pounds to feed its reactors this year.

Jabiluka No. 2 also contains "commercial values of gold in one sector," Nuexco says. "An estimated 280,000 ounces of gold is known to occur in about 550,000 tons of ore along the upper limits of the mineralised zone." Meanwhile, Australia's uranium miners still await Government permission to go ahead.

MINING BRIEFS

PEKO-WALLSEND—Production report:

	12 weeks to 26.9.78	27.9.77
Warrego Mine		
Ore treated (tonnes)	59,156	57,691
Copper (tonnes)	996	578
Gold (ounces)	22,924	27,818
Bismuth (kilograms)	256,845	176,865
Mount Morgan Mine		
Overburden removed (tonnes)	114,750	61,650
Ore treated (tonnes)	77,538	115,358
Copper (tonnes)	494	1,155
Gold (ounces)	2,461	9,718
King Island Mine		
Ore treated (tonnes)	92,580	79,393
Tungsten Oxide (WO_3) (MTUs)	57,696	53,039
Total production:		
Copper (tonnes)	1,470	2,034
Gold (ounces)	25,385	37,535
Bismuth (kilograms)	256,845	176,865
Tungsten Oxide (WO_3) (MTUs)	57,696	53,039
Pelton & Greiley Collieries		
Production:		
Washed coal (tonnes)	195,658	168,787
Sales:		
Washed coal	171,647	139,584
Gunnedah Colliery		
Production:		
Coal (tonnes)	59,461	57,514
Sales:		
Coal	61,321	72,673

NEW GUINEA GOLDFIELDS—Quarterly production figures: September, 1978: Golden Ridges Mill: Ore treated 26,491 tonnes. Assaying 0.058 oz per tonne. Fine gold produced 1,172.1 oz. Fine silver produced 910.2 oz. Edie Creek Alluvials: Fine gold produced 71.3 oz. Fine silver produced 61.3 oz.

Union Corporation Group

Directors' Reports of Gold Mining Companies for the quarter ended 30th September, 1978.

LESLIE GOLD MINES LIMITED

Issued Capital R10,400,000 in shares of 65 cents each.

OPERATING RESULTS:	Quarter ended 30th Sept. 1978	Quarter ended 30th June 1978	Twelve months ended 30th Sept. 1978
Ore Milled (t)	240,000	240 000	925,000
Gold produced – kg.	1,080	1,104	4,228
Yield – (g/t)	4·5	4·6	4·6
Revenue per ton milled	R26·03	R26·21	R24·53
Cost per ton milled	R18·48	R17·70	R18·48
Profit per ton milled	R7·55	R8·51	R6·05
Working revenue	R6,247,000	R6,291,000	R22,698,000
Working costs	R4,435,000	R4,248,000	R17,098,000
Working profit	R1,812,000	R2,043,000	R5,600,000
Net sundry revenue	R80,000	R244 000	R460,000
PROFIT before taxation and lease consideration	R1,892,000	R2,287,000	R6,060,000
Taxation and lease consideration	R859,000*	R1,075,000*	R2,690,000*
PROFIT after taxation and lease consideration	R1,033,000	R1,212,000	R3,370,000

*Includes mining tax at formula applicable to State assisted mines.

	Quarter ended 30th Sept. 1978	Quarter ended 30th June 1978	Twelve months ended 30th Sept. 1978
Capital expenditure	——	——	——
Dividend declared	R2,240,000	——	R3,360,000
Loan levy (recoverable)	R98,000	R126,000	R309,000
DEVELOPMENT:			
Advanced (m)	615	318	1,580
Sampling results:			
Sampled (m)	181	94	629
Channel width (cm)	11	10	14
Av. value: g/t	26·5	100·2	41·1
cm.g/t	282	1 002	575
Payable:			
Percentage	4	52	26
Channel width (cm)	14	11	12
Av. value: g/t	78·0	132·9	95 2
cm.g/t	1,092	1,462	1,142

Dividend

On 8th September, 1978, dividend No. 28 of 14 cents per share was declared to members registered on 22nd September, 1978. Dividend warrants will be posted on or about 9th November, 1978.

Ore Reserves

The ore reserves have been re-estimated at 30th June, 1978, with the following results:–

	Gold Price per kg.	Metric Tons	Assay Value g/t	Est. Stoping Width Cms.
Kimberley Reef	R4,200	800,000	7 6	124
Kimberley Reef	R6,500	1,600,000	6 2	124

THE GROOTVLEI PROPRIETARY MINES LIMITED

Issued Capital R2,859,704 stock in units of 25 cents each.

OPERATING RESULTS:	Quarter ended 30th Sept. 1978	Quarter ended 30th June 1978	Nine months ended 30th Sept. 1978
Ore Milled (t)	370,000	360,000	1,090,000
Gold produced – kg.	1,480	1,440	4,504
Yield – (g/t)	4·0	4 0	4 1
Revenue per ton milled	R22·47	R21 90	R21 86
Cost per ton milled	R15·22	R15·16	R15·02
Profit per ton milled	R7·25	R6·74	R6·84
Working revenue	R8,312,000	R7,882,000	R23,832,000
Working costs	R5,630,000	R5 456,000	R16,375,000
Working profit	R2,682,000	R2 426,000	R7 457,000
Net sundry (expenditure) revenue	R(13,000)	R9,000	R32,000
PROFIT before taxation and lease consideration	R2,669,000	R2,435 000	R7 489,000
Taxation and lease consideration	R1,355,000	R1,273,000	R3,845,000
PROFIT after taxation and lease consideration	R1,314,000	R1,162 000	R3,644,000
Capital recoupment	R1,000	R3,000	R4,000
Dividend declared	——	R1,830,000	R1,830,000
Loan levy (recoverable)	R189,000	R178,000	R537 000
DEVELOPMENT (Kimberley Reef):			
Advanced (m)	633	524	1,639
Sampling results:			
Sampled (m)	509	336	1,265
Channel width (cm)	20	17	22
Av. value: g/t	42·6	65 4	45·3
cm.g/t	851	1,112	997
Payable:			
Percentage	51	63	58
Channel width (cm)	25	19	27
Av. value: g/t	51·8	79 0	52·6
cm.g/t	1,296	1 501	1,420

Dividend

Dividend of 16 cents per unit of stock was paid on 4th August 1978.

MARIEVALE CONSOLIDATED MINES LIMITED

Issued Capital R1 125,000 in shares of 25 cents each.

OPERATING RESULTS:	Quarter ended 30th Sept. 1978	Quarter ended 30th June 1978	Nine months ended 30th Sept. 1978
Ore Milled (t)	250,000	250,000	770 000
Gold produced – kg.	650	650	2 083
Yield – (g/t)	2·6	2 6	2 7
Revenue per ton milled	R13·57	R15 01	R14 22
Cost per ton milled	R7·40	R7 67	R7 78
Profit per ton milled	R6·17	R7 34	R6·44
Working revenue	R3,393,000	R3,753,000	R10,951,000
Working costs	R1,850,000	R1 918,000	R5,993,000
Working profit	R1,543,000	R1 835,000	R4 958,000
Net sundry revenue	R61,000	R75 000	R199,000
PROFIT before taxation and lease consideration	R1,604,000	R1,910 000	R5,157,000
Taxation and lease consideration	R905,000	R1,096,000	R3,502,000
PROFIT after taxation and lease consideration	R698,000	R814,000	R1,655,000
Capital recoupments	R17,000	R8 000	R1,176,000
Dividend declared	——	R1,440,000	R1 440,000
Loan levy (recoverable)	R126,000	R151,000	R405,000

Dividend

Dividend of 32 cents per share was paid on 4th August, 1978.

Reduction of Capital

The reduction of capital of 25 cents per share was paid on 4th August, 1978.

WINKELHAAK MINES LIMITED

Issued Capital R12 000,000 in shares of R1 each.

OPERATING RESULTS:	Quarter ended 30th Sept. 1978	Quarter ended 30th June 1978	Twelve months ended 30th Sept. 1978
Ore Milled (t)	525,000	520,000	2 077,000
Gold produced – kg.	3,838	3 900	15,785
Yield – (g/t)	7·6	7 5	7 6
Revenue per ton milled	R42·58	R41 24	R39·59
Cost per ton milled	R15·68	R15 64	R15·53
Profit per ton milled	R26·90	R25 60	R24·06
Working revenue	R22,356,000	R21 443,000	R82 239,000
Working costs	R8,233,000	R8,130 000	R32,264,000
Working profit	R14,123,000	R13,313,000	R49 975 000
Net sundry revenue	R655,000	R774,000	R2,395,000
PROFIT before taxation and lease consideration	R14,778,000	R14,087 000	R52 370 000
Taxation and lease consideration	R9,139,000	R9 774 000	R32,306,000
PROFIT after taxation and lease consideration	R5,639,000	R5,313,000	R20,064,000
Capital expenditure	R58,000	——	R96,000
Dividend declared	R9,120,000	——	R15,480,000
Loan levy (recoverable)	R1,006,000	R866,000	R3,556 000
DEVELOPMENT:			
Advanced (m)	2,702	2,855	10,278
Sampling results:			
Sampled (m)	612	579	2,310
Channel width (cm)	56	45	52
Av. value: g/t	17·8	31 9	25·5
cm g/t	889	1,436	1,328
Payable:			
Percentage	47	76	69
Channel width (cm)	68	50	58
Av value: g/t	21·7	33·2	28 1
cm.g/t	1,478	1,660	1 629

Dividend

On 8th September, 1978, dividend No. 37 of 76 cents per share was declared to members registered at 22nd September, 1978. Dividend warrants will be posted on or about 9th November, 1978.

Capital Expenditure

Commitments in respect of contracts placed	R138,000
Amounts approved in addition to commitments	R165,000

Ore Reserves

The ore reserves have been re-estimated at 30th June 1978, with the following results.–

	Gold Price per kg.	Metric Tons	Assay Value g/t	Est. Stoping Width Cms.
Kimberley Reef	R4,200	5 700,000	10·9	157
Kimberley Reef	R5 500	7,000,000	9 8	157

BRACKEN MINES LIMITED

Issued Capital R12,600,000 in shares of 90 cents each.

OPERATING RESULTS:	Quarter ended 30th Sept 1978	Quarter ended 30th June 1978	Twelve months ended 30th Sept 1978
Ore Milled (t)	195,000	195 000	798 000
Gold produced – kg.	1,288	1,326	5,388
Yield – (g/t)	6·6	6 8	6 8
Revenue per ton milled	R38·86	R39 21	R36 27
Cost per ton milled	R18·25	R17·76	R17 62
Profit per ton milled	R20·61	R21 45	R18 65
Working revenue	R7,577,000	R7,646 000	R28,939 000
Working costs	R3,559,000	R3,463,000	R14,059 000
Working profit	R4,018,000	R4 183 000	R14,880,000
Net sundry revenue	R298,000	R450,000	R1 149,000
PROFIT before taxation and lease consideration	R4,316,000	R4,633,000	R16 029 000
Taxation and lease consideration	R2,559,000	R2 775 000	R9,629 000
PROFIT after taxation and lease consideration	R1,757,000	R1,858,000	R6 400,000
Capital recoupment	——	——	——
Dividend declared	R3,360,000	——	R6 160 000
Loan levy (recoverable)	R282,000	R305 000	R1,080,000

Dividend

On 8th September, 1978, dividend No. 32 of 24 cents per share was declared to members registered at 22nd September, 1978. Dividend warrants will be posted on or about 9th November, 1978.

Ore Reserves

The ore reserves have been re-estimated at 30th June, 1978, with the following results:–

	Gold Price per kg	Metric Tons	Assay Value g/t	Est Stoping Width Cms
Kimberley Reef	R4,200	1,000,000	9 6	128
Kimberley Reef	R5,500	1,400 000	8 3	128

UNISEL GOLD MINES LIMITED

Stated Capital 28 000,000 shares of no par value.

Shaft

Development is in progress on levels from Nos. 4 to 10 and for the quarter a total of 2,007 metres has been driven which includes development of water settlers, storage dams and stations. Main pump installations are in progress.

During development in the shaft pillar area, the Basal and Leader Reef have been intersected on 6 and 7 levels. Due to faulting, these intersections were incomplete and are consequently not representative of the values on these reefs. On the Basal reef 26 metres were sampled exposing values of 12·5 g/t over a channel width of 134 cms equivalent to 1 548 g/t. Sampling of 12 metres on the Leader reef exposed values of 5 1 g/t over 180 cms equivalent to 910 cm g t.

General

Construction of surface installations is continuing.

Expenditure

Expenditure for the period under review on Shafts, Plant and Equipment and General Expenditure amounted to R5 869 000 (to date R50 015 000).

Commitments in respect of contracts placed	R894,000
Amounts approved in addition to commitments	R21,710 000

KINROSS MINES LIMITED

Issued Capital R18,000,000 stock in units of R1 each.

OPERATING RESULTS:	Quarter ended 30th Sept. 1978	Quarter ended 30th June 1978	Twelve months ended 30th Sept. 1978
Ore Milled (t)	390,000	390 000	1 560 000
Gold produced – kg.	2,731	2 873	11,532
Yield – (g/t)	7·0	7 4	7 4
Revenue per ton milled	R40·59	R40 52	R38·71
Cost per ton milled	R18·81	R18·26	R18·25
Profit per ton milled	R21·78	R22·26	R20·46
Working revenue	R15,830,000	R15 803,000	R60,399 000
Working costs	R7,337,000	R7,121,000	R28,477,000
Working profit	R8,493,000	R8 682,000	R31,922,000
Net sundry revenue	R214,000	R412,000	R1 035,000
PROFIT before taxation and lease consideration	R8,707,000	R9,094 000	R32,957,000
Taxation and lease consideration	R5,187,000	R5,250,000	R19,245,000
PROFIT after taxation and lease consideration	R3,520,000	R3,844 000	R13,712,000
Capital expenditure (recoupment)	R(52,000)	R247,000	R728,000
Dividend declared	R5,760,000	——	R9,000,000
Loan levy (recoverable)	R695,000	R602,000	R2,207,000
DEVELOPMENT:			
Advanced (m)	2,734	2,598	10,164
Sampling results:			
Sampled (m)	688	545	2,298
Channel width (cm)	75	77	58
Av value: g/t	7·9	5·8	8 5
cm.g/t	594	450	493
Payable:			
Percentage	23	17	19
Channel width (cm)	88	62	62
Av value: g/t	13·9	18 8	18 9
cm g/t	1,223	1,163	1,171

Dividend

On 8th September, 1978 dividend No. 21 of 32 cents per unit of stock was declared to members registered at 22nd September, 1978. Dividend warrants will be posted on or about 9th November, 1978

Capital Expenditure

Commitments in respect of contracts placed	R198 000
Amounts approved in addition to commitments	R1,880,000

Ore Reserves

The ore reserves have been re-estimated at 30th June, 1978, with the following results.–

	Gold Price per kg.	Metric Tons	Assay Value g/t	Est. Stoping Width Cms.
Kimberley Reef	R4,200	4 300 000	8 4	133
Kimberley Reef	R5,600	5,700 000	8 3	133

ST. HELENA GOLD MINES LIMITED

Issued Capital R9 625 000 in shares of R1 each

OPERATING RESULTS:	Quarter ended 30th Sept. 1978	Quarter ended 30th June 1978	Twelve months ended 30th Sept. 1978
Ore Milled (t)	480,000	480,000	1 930,000
Gold produced – kg.	4,423	4 176	17 429
Yield (g/t)	9·2	8 7	9 0
Revenue per ton milled	R53·47	R48 61	R47 39
Cost per ton milled	R21·73	R22 11	R21 47
Profit per ton milled	R31·74	R26·50	R25 92
Working revenue	R25,667,000	R23 333 000	R91,460 000
Working costs	R10,433,000	R10 612 000	R41,443 000
Working profit	R15,234,000	R12,721,000	R50 017 000
Net sundry revenue	R195,000	R244 000	R922,000
	R15,429 000	R12 965,000	R50,939,000
Recovery under insurance	R1,180,000	——	R1,180,000
PROFIT before taxation and lease consideration	R16,609,000	R12 965 000	R52 119,000
Taxation and lease consideration	R9,304,000	R7 858 000	R30 315,000
PROFIT after taxation and lease consideration	R7,305,000	R5 107 000	R21 804,000
Capital expenditure	R815,000	R223 000	R1 608,000
Dividend declared	R10 588,000	——	R13,288,000
Loan levy (recoverable)	R1,116,000	R938,000	R3,626 000
DEVELOPMENT (Basal Reef):			
Advanced (m)	1,847	2 342	8 421
Sampling results:			
Sampled (m)	402	263	1 370
Channel width (cm)	84	96	93
Av value g/t	13·4	9 6	10 7
cm g/t	1,128	919	994
Payable:			
Percentage	16	22	21
Channel width (cm)	68	102	104
Av value g/t	40·0	16 2	12 7
cm g/t	2,723	1 657	1,941

Dividend

On 8th September 1978, dividend No. 46 of 110 cents per share was declared to members registered at 22nd September, 1978. Dividend warrants will be posted on or about 9th November 1978.

No. 2 Shaft

Following the accident to the No. 2 Shaft on 12th March, 1978, an amount of R1,180,000 reflected in this quarter's operating results has been agreed upon in final settlement of the insurance claim

Capital Expenditure

Commitments in respect of contracts placed	R867,000
Amounts approved in addition to commitments	R710,000

Ore Reserves

The ore reserves have been re-estimated at 30th June, 1978 with the following results –

	Gold Price per kg	Metric Tons	Assay Value g/t	Est. Stoping Width Cms.
Basal Reef	R4 200	5,300,000	18 5	168
Basal Reef	R5,500	7,500 000	15·5	168

Adjustments have been made to the payable development metres and values to conform with those applied in the estimation of ore reserves and are based on R4,200 per Kilogram or approximately $150·23 per ounce, for the quarters ended 30th June and 30th September, 1978.

All the above companies are incorporated in the Republic of South Africa.

The quarterly reports have been approved and signed on behalf of the respective companies by two directors.

London Secretaries: Princes House, 95 Gresham Street, London EC2V 7BS.

18th October, 1978

NORTH AMERICAN NEWS

TWA sees record after upturn at nine months

BY JOHN WYLES

NEW YORK, Oct. 18.

TRANS WORLD AIRLINES' discharge from the ranks of the airline industry's walking wounded appeared confirmed today with a 17.7 per cent increase in third quarter profits and the announcement of a $300m order for 13 Boeing aircraft.

Although some other airlines will show more spectacular year on year profits increases this quarter, there are several factors giving TWA cause to cheer. Pre-tax profits from its airline operations were up 185 per cent during the quarter and its Hilton International hotels subsidiary added 37 per cent to its pre-tax income. But earnings from its catering subsidiary Canteen Corporation dropped 11 per cent due to higher food costs.

Overall growth of the airline operation's earnings was restrained somewhat by the sharp price competition on Trans-Atlantic routes, which limited pre-tax income growth on these routes to 7.4 per cent, yielding a gross of $44.48m. Pre-tax earnings from domestic airline operations are likely to compare with some of the best, and rose 48 per cent to $29.6m.

This helped bring the corporation's earnings for the quarter to $85m or $5.03 per share, compared with $72.6m or $4.45 per share. Revenues rose 10.6 per cent from $943m to $1.04bn. TWA's nine months' earnings have soared 90 per cent to $95.1m or $5.26 per share, compared with $50.1m or $3.12 per share. Nine-month revenues were $2.73bn, compared with $2.46bn.

Clearly the figures indicate that TWA's earnings are running substantially ahead of last year's record income, and that the company is well on the road to recovery from the dark days of 1974 and 1975, when its survival was in doubt. Long-term debt will be reduced by more than $300m this year.

$300m this year, and the company is confident of achieving its target debt-equity ratio of 1:1 by 1985. This will be reduced despite a major re-equipment programme needed for fleet remodernisation of which today's orders for 10 Boeing 727-200s and three Boeing 747SPs are only a part.

● World Airways, a charter airline which looks likely to win approval to start scheduled trans-continental services, announced today that it was buying three McConnell Douglas DC10 jet liners for $140m.

Abitibi Paper earnings double

BY ROBERT GIBBENS

MONTREAL, Oct. 18.

ABITIBI PAPER, the world's largest newsprint producer with its associate Price company, had third quarter operating earnings of C$22.5m (C$1.18 a share) against C$11.2m, or 55 cents a share a year earlier, excluding extraordinary items. Revenues were C$341m against C$272m.

In the first nine months operating earnings were C$54.3m, or C$2.78 a share against C$21.6m (or C$1 per share) excluding extraordinary items. Revenues were C$962m against C$761m.

The company said the gain on foreign exchange contributed C$27.8m to the nine months earnings, compared with C$9.5m exchange gain a year earlier. Demand was strong for newsprint and unquoted round wood papers and this is expected to continue through most of 1979.

The fine paper and lumber operations improved and building products continued to make an important contribution to sales and profits, whereas the lumber business may be less buoyant by year end due to seasonal factors.

Meanwhile the Moores Government of Newfoundland will decide in the next few weeks whether the troubled Stepenville linerboard mill will be sold to Abitibi or Consolidated-Bathhurst, the pulp and paper arm of Power Corporation of Canada.

The Government has negotiated with these two companies and also with Domtar, Bowater and Stora Kopparberg of Sweden but industry sources confirm the winner will likely be either Consolidated-Bathurst or Abitibi. The linerboard mill, which cost the Province of Newfoundland more than C$200m, was closed down over a year ago because it was considered uneconomic.

When construction began in the early 1970s it was forecast by industry observers that it would not be able to compete in the linerboard market. It is now to be converted to a newsprint mill at an estimated cost of C$75m.

Certainly the woodlands and the old mill would be acquired by the successful bidder for far less than equivalent production from a new mill. Conversion to newsprint will mean that wood consumption will be halved and the economics of the operation improved.

A thermo-mechanical groundwood plant will be installed and the linerboard machine adapted and speeded up for newsprint.

More banks boost profits

By Our Financial Staff

MORE North American banks are showing net earning increases for the third quarter.

Security Pacific Corporation saw its net earnings per share rise from $1.20 to $1.61 for the period, whereas Crocker National Bank improved its per share earnings with a net $1.48 against $1.15 last year.

Third quarter income for Wells Fargo was $31.8m (or $1.41 per share) before security transactions, compared with last year's $25.2m or $1.13 per share.

Bankers Trust New York Corporation progressed in the third quarter from $1.22 to $1.77 per share.

Banking takeover agreed

BUFFALO, Oct. 18.

SHAREHOLDERS OF Marine Midland Banks have approved an agreement under which Hongkong and Shanghai Banking Corporation will acquire a controlling interest in the Buffalo-based bank holding company.

However, many shareholders complained about the price they woud receive under a proposed tender offer that the Hongkong bank plans as part of the total package.

Specifically, shareholders approved an investment agreement under which the Hongkong bank would acquire about 8.7m newly issued Marine Midland shares.

As previously announced, Hongkong and Shanghai Bank is to make a tender offer for 25 per cent of the currently outstanding shares at a price of about $20 a share. The exact price has not been financially determined.

Shareholders complained that Marine Midland's book value is currently more than $34 a share, and asked why a relatively low price is to be paid under the tender.

AP-DJ

RESULTS IN BRIEF

Progress at Pennwalt in third quarter

NEW YORK, Oct. 18.

THE chemicals manufacturer Pennwalt Corporation had net income for the third quarter of $10.24m or $1.03 a share compared with $9.61m or 98 cents. Sales revenues advanced from $208.47m to $226.64m.

Electrical products manufacturer General Signal Corporation had net earnings for the first nine months of the current fiscal year of $2.05 a share compared with $1.71, while insurance broker Fred S. James and Company moved up from $1.32 a share to $1.64 for the same period.

Other advances for the nine months were reported by C. R. Bard, hospital and surgical equipment, up from 76 cents to 90 cents, Crouse-Hinds, conduits and lighting control devices, up from $1.52 to $1.57, Dictaphone Corporation, business machines, ahead from $1.24 to $2.13, Dover Corporation, lifts and valves, ahead from $3.02 to $3.50, and Evans Products, up from $2.21 to $2.82.

Also reporting progress in the nine month period were Yellow Freight Services, motor and general commodities, ahead from $1.91 to $2.01, U.S. Industries, industrial and consumer products, up from 96 cents to $1.20, Gardner-Denver Company, industrial, building and mining equipment, up from $1.03 to $2, General Portland, cement, ahead from $83 cents to $1.89, Hanes Corporation, clothing, up from $3.37 to $3.72, Hercules Incorporated, chemicals and plastics, up from $1.19 to $1.79, National Gypsum, building materials and homes, ahead from $1.68 to $2.83, and the utility Public Service Electric and Gas Company, which edged upwards from $2.25 to $2.26.

Declines in per share earnings for the nine month period were reported by Pabst Brewing, the nation's fourth largest brewer, down from $2.22 to $1.04, the utility North American Coal Corporation, down from $1.45 to $1.39, home laundry equipment manufacturer Maytag Company, down from $1.96 to $1.92, aerospace instrument manufacturer Conrac Corporation, down from $2.49 to $1.29, and paper products concern Scott Paper, down from $2.36 to $1.57.

Agencies

Wheeling Pittsburgh back in the black

NEW YORK, Oct. 18.

THE PROFITS recovery in the U.S. steel industry was emphasised today by Wheeling-Pittsburgh which achieved a $13.5m profit in the third quarter compared with a loss in the same period last year.

Needless to say, all of the leading steel companies are welcoming their enhanced profitability, but chairmen's statements are emphasing that return on sales is still inadequate to cater for essential modernisation and environmental equipment.

This was one of the themes of today's statement by Mr. Dennis J. Carney, Wheeling-Pittsburgh's chairman and president, which was also struck yesterday by Mr. William De Lancey, Republic Steel's chairman when he reported a 300 per cent increase in profits.

The recovery at Wheeling-Pittsburgh, which is the industry's ninth largest steel company, is even more impressive. The company lost $4.56m in the third quarter last year because of a combination of sharp competition from imports, iron-ore strikes and steeply rising labour costs.

But price increases coupled with a significantly stronger domestic market helped take the company to a $13.53m net profit, equal to $3.46 a share; in the most recent quarter. Sales rose 20 per cent, from $253.3m to $304.3m. Net earnings for the nine months were $4.08m or 47 cents a share compared with a loss of $20.6m. Sales for the nine months rose from $726.8m to $857.6m.

Mr. Carney said that his company's performance reflected "moderate but inadequate price increases" and corporate wide cost reductions. He added that order backlogs were ample to sustain profitable operating rates and shipping levels. But he warned that further price increases would be required to maintain and improve current margins.

AT & T chief retires early

By John Wyles

NEW YORK, Oct. 18.

MR. John de Butts unexpectedly announced today that he would be retiring early as chairman and chief executive officer of American Telephone and Telegraph Company, sometimes known as "Ma Bell" and America's largest corporation, with assets of $98bn.

Mr. de Butts is a leading spokesman for American business and has headed AT & T for the past six years. At the end of the company's Board meeting today, it was announced that he would retire next February 1, two months before his 64th birthday and would be succeeded by Mr. Charles Brown, 57, who is curently president and chief operating officer. Mr. Brown's posts will be filled by Mr. William M. Ellinghaus, 56.

EUROBONDS

Dollar sector quieter

BY FRANCIS GHILES

THE DOLLAR sector of the international bond market had a much quieter day yesterday than earlier in the week, helped by the lull in currency turmoil. Turnover was described by dealers as quite good with prices on the whole drifting down a little.

The Canadian Yankee bond has been priced in New York: the shorter tranche carries a 9 per cent coupon and has been priced at par to yield 9.20 per cent while the longer tranche carries a coupon of 9¼ per cent and has been priced at par to yield 9.46 per cent (both yields are calculated on an AIBD basis).

Turnover in the Deutsche Mark sector was unchanged from the levels of earlier this week but prices were mixed. The domestic market was weaker again yesterday and the Bundesbank intervened to the tune of DM66.3m.

Three straight bonds were priced: Argentina at 99 and Austria and Banque Exterieure d'Algerie at par, all three with conditions otherwise unchanged. Deutsche Bank will announce a private placement of DM 80m of seven-year convertible bonds for Olympus Optical, the Japanese manufacturer of photographic and optical equipment, today. The coupon is expected to be 3½ per cent and the conversion price 10 per cent.

In the Swiss Franc sector the World Bank is arranging a SwFr 300m private placement with a syndicate of the three leading Swiss banks. The maturity of the bonds is seven years and the coupon 3½ per cent. Meanwhile American Express International is arranging a 15-year SwFr 10m bond through a syndicate led by Swiss Bank Corporation. Final terms also include a 3½ per cent coupon and a price of 99.

Jusco is arranging a SwFr 70m six-year private placement through Swiss Bank Corporation. The indicated coupon is 2½ per cent and final terms will be set today.

The sterling sector was weaker again yesterday despite all being quiet on the currency front. Most prices were marked down by one point.

U.S. QUARTERLIES

CATERPILLAR TRACTOR

Third Quarter	1978 $	1977 $
Revenue	1.82bn	1.51bn
Net profits	139.2m	116m
Net per share	1.62	1.34
Nine Months		
Revenue	5.29bn	4.33bn
Net profits	408.8m	331.1m
Net per share	4.74	3.84

NORTHROP

Third Quarter	1978 $	1977 $
Revenue	462.7m	409.3m
Net profits	22.2m	16.9m
Net per share	1.56	1.22
Nine Months		
Revenue	1.35bn	1.15bn
Net profits	63.1m	48.3m
Net per share	4.46	3.52

NORTHWEST INDUSTRIES

Third Quarter	1978 $	1977 $
Revenue	618.1m	462.2m
Net profits	40.83m	34.3m
Net per share	1.34	1.11
Nine Months		
Revenue	1.76bn	1.35bn
Net profits	109.48m	91.43m
Net per share	3.56	2.94

ST. REGIS PAPER

Third Quarter	1978	1977 $
Revenue	601.6m	513.7m
Net profits	36.18m	28.65m
Net per share	1.13	0.90
Nine Months		
Revenue	1.70bn	1.50bn
Net profits	91.61m	78.40m
Net per share	2.86	2.47

TRANSAMERICA CORP.

Third Quarter	1978 $	1977 $
Revenue	861.5m	813.3m
Net profits	60.3m	50.86m
Net per share	0.91	0.76
Nine Months		
Revenue	2.57bn	2.38bn
Net profits	1.61m	129.2m
Net per share	2.42	1.93

WEYERHAEUSER

Third Quarter	1978 $	1977 $
Revenue	949.2m	846.4m
Net profits	91.26m	74.92m
Net per share	0.70	0.57
Nine Months		
Revenue	2.74bn	2.43bn
Net profits	276.0m	235.9m
Net per share	2.11	1.79

Better market conditions help most chemical groups

BY DAVID LASCELLES

NEW YORK, Oct. 18.

THE FIRST chemical companies to report in the third quarter of this year produced generally improved results, pointing to better market conditions than at the beginning of the year.

Du Pont, the industry leader, said its third quarter net earnings had risen 45 per cent from $143m ($2.91 a share) to $205m ($4.28 a share). Sales rose from $2.36bn to $2.63bn. This brought nine months net earnings up to the equivalent of $11.65 a share against $8.64 last year.

Mr. Irving Shapiro, the chairman said, "having earned $11.65 per share through the first nine months, it is clear we will establish a new earnings record in 1978."

Dow Chemical, the third largest chemical concern, announced net earnings of $153.4m (85 cents a share), up from $144.5m (78 cents a share) in the same period last year. Sales rose to $1.67bn from $1.59bn.

According to the announcement, the result reflects higher plant operating rates throughout the world, particularly in the Pacific and Latin American regions. Globally, most plastics are doing well, especially epoxy and polystyrene resins, and plastic foam, where both prices and production rates are improving.

Mr. G. J. Williams, the president, commented: "I believe that the fourth quarter will show an even greater improvement in earnings, and that our profit for the year will exceed that of 1977."

Engelhard Minerals and Chemicals reported third-quarter earnings of $37m ($1.17 a share) compared with $29.8m (94 cents a share) last year. However, this improvement was not enough to offset difficulties earlier this year in the natural resources business which have left nine-month earnings slightly below the equivalent last year—$92.3m against $92.8m.

Another company with large mineral interests, International Minerals and Chemicals, reported a decline in the third-quarter earnings to $23.7m compared with $30.8m, equivalent to $1.1 a share ($1.70). The company predicted that this decline would extend into the last quarter, and that fiscal 1979 earnings would be approximately the same as those in fiscal 1978.

● Monsanto announced net earnings for the third quarter of $1.29 a share compared with 86 cents.

Total net of $46.8m compared with $24.9m fully diluted per share of $1.27 against 66 cents. Sales of $1.19bn compared with $1.08bn.

Quicker growth at Motorola

BY OUR FINANCIAL STAFF

MOTOROLA, the major communications equipment company, raised its net profits by 22.5 per cent in the third quarter to $29.76m, from $24.29m in the same period of last year.

This is a sharper rate of growth than in the first half of the year, although third quarter sales increased at a slower pace, rising 19.8 per cent to $534m, from $445.7m.

For the first nine months of the year, profits were raised by 18.6 per cent to $90.3m, from $76.13m, while sales were up by 23 per cent, to $1.6bn, from $1.3bn.

Earnings a share for the latest quarter were 98 cents, compared with 80 cents, and for the nine months $2.97, against $2.51.

The company, which is the largest supplier to the U.S. communications equipment market, has been listed on the London Stock Exchange for just over a month. It announced in September negotiations were at an advanced stage with Thomson CSF for the setting up of a joint semiconductor plant in France, and that it planned to expand semiconductor manufacture in the UK.

The decision to seek a London listing is an indication of the company's intention to shift its base more closely towards Europe.

Motorola has taken steps in recent years to meet problems which were reflected in a fall in pre-tax earnings from continuing operations to $86.1m in 1975, from a record $160.7m two years earlier. By 1976, operating profits had recovered to $167.4m, and reached $170m in 1977.

Net income last year was $106.3m, or $3.50 a share, against $89.4m, or $2.96 a share, in 1976.

Bucyrus-Erie suffers setback

NEW YORK, Oct. 18.

THE largest U.S. manufacturer of mining equipment, Bucyrus-Erie, suffered a fall of 23 per cent in net earnings for the third quarter, reported a $13.8m or 68 cents. Sales also fell back sharply, from $151.9m to $121.3m.

For the nine months to date, net earnigs show a slight fall at $39.8m or $1.96 against $41.8m or $2.05 a share. Sales decreased from $424.6m to $389.2m over the period.

Bucyrus executives have commented publicly on their hopes for the company when new national energy policies bring the expected jump in demand for coal. Even without this, the company considers that by 1981 there will be a national shortage of manufacturing capacity for the heavy draglines in which it specialises.

But each walking dragline represents an investment by the company of between $3m and $40m, as well as taking as much as two years to build.

The company has also shown interest in buying up new production capacity, notably at Pocatello, Idaho, where it has a 1.4m sq ft factory. But, with orders still dropping, it has proved quite unnecessary to carry such moves any further ahead. Some orders have even been postponed.

The burgeoning interest in U.S. coal production has brought competitors into Bucyrus' traditional fields. A UK company, Ransomes and Rapier, has recently re-entered the dragline industry, although Bucyrus claims not to be perturbed by this development.

It is generally agreed that if the U.S. government legislates to stimulate coal production, then there will be no shortage of newcomers wishing to enter the market.

Agencies

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asa Air. 9½ 98	25	96½	97½	0	−0½	9.72
Australia 8 83	350	95½	96½	+0½	−0½	9.36
Australia 8.45 83	175	97½	98½	−0½	−0½	9.19
Australia 9½ 83	75	99½	100½	−0½	0	9.35
Beatrice Foods 7½ 83	100	93½	94½	−0½	−1½	9.23
CECA 8 87	50	96½	96½	0	−0½	9.34
CECA 9 91	25	98½	99½	−0½	−1	9.18
CECA 9½ 95	25	99½	99½	−0½	−1½	9.29
CNT 9 93	75	97½	98	−0½	−1	9.28
Canada 9 83	250	†98½	98½	−0½	+0½	9.13
Canada 8.30 83	250	96½	96½	0	+0½	9.08
Canada 8½ 98	250	†96	95	−1	−1½	9.45
Canadair 8½ 83	70	96½	96½	−0½	−0½	9.47
Dominion Bridge Co. 9 86	25	94½	95½	−0½	−1	9.99
EIB 8½ 83	100	97½	98½	0	−0½	9.27
EIB 8½ 88	75	98½	99	0	−0½	9.30
EIB 9½ 93	100	98½	98½	−0½	−0½	9.32
EIB 9½ 98	125	98	98½	−0½	−0½	9.56
EIB 9½ 98	130	99½	99½	0	+0½	9.51
Elsam Jutland 9 83	25	96½	97	−0½	−0½	[illegible]
Eksportfinans 9 86	50	97½	98½	+0½	−0½	9.34
Export Developmt. 8.6 83	125	98½	98½	−0½	+0½	9.19
Finland 8½ 83	100	98½	98½	−0½	−0½	9.36
Finland 9 83	100	97½	98½	−0½	−0½	9.51
Hospital O.S 9 83	25	96½	97½	−0½	−1½	9.76
I.C. Industries 9 83	35	95½	96½	−0½	−1½	[illegible]
Ind Finance 9½ 88	25	96½	97½	−0½	−1½	10.24
Ind Finance 9½ 90	25	96	96½	−0½	−2½	10.57
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 5½ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia 5.6 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BFCE 6.4 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eurofima 6.3 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland 5.7 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway 5.7 83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oslo, City of 6.8 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SNCF 6.8 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden 6.3 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Algemene Bk. 6½ 83 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT 8 88 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bayer Lux. 8 86 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mees and Hope 7 83 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brazil 7½ 83 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CFE Mexico 7½ 83 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Citicorp O/S Fin. 10 93 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copenhagen 7 93 EUA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 7½ 88 Lux Fr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 7½ 95 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 9½ 88 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oranjeboom 10½ 98 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finance for Ind. 10 89 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland I. Fd. 8 89 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland Ind. Bk. 7 93 EUA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gestetner Hld. BV 11 88 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Neder. Middenb. 6½ 83 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand 6½ 84 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price. † Only one market maker supplied a price. [illegible]

Kodak sees peak year as demand surges

DALLAS, Oct. [illegible]

EASTMAN KODAK expects record year in sales and earnings due to extraordinary demand from dealers for both traditional and instant picture cameras, Mr. Walter A. Fallon, the chairman, said in remarks prepared for delivery to analysts.

Kodak's instant photographic products will be fully profitable in 1979, he added.

Dealer orders indicate the company will sell more cameras this Christmas than in any previous holiday season, with expected increase in sales due in part to the recently-introduced Ekta camera line.

For the industry as a whole traditional camera sales should be higher this year than in the previous record year. Reuter

G & W unit in counter offer

NEW YORK, Oct. [illegible]

A UNIT of Gulf and Western Industries — Associates First Capital Corporation — has announced details of a counter offer it intends to make for outstanding capital stock of American Investment. Household Finance Corporation indicated that it intends to pursue its proposal, made last April, to merge with American Investment [illegible] national.

Under the new offer, Capital will pay $14 per share for each American Investment Common share, $25.12 per share for the 5½ per cent cumulative preference shares and $25 a share for the 6½ per cent cumulative preference stock [illegible]. The offer is conditional on tender of at least 50 per cent of American Investment's Common stock.

Household Finance's [illegible] offer was based on a payment of $12 for each share of American Investment's outstanding [illegible] of common stock, in addition to varying amounts for preferred stocks.

The proposal is scheduled to be presented to American Investment's stockholders at a meeting in November.

Due to takeover regulations in Delaware and Missouri affect the proposed offer [illegible] earliest date that the Associates First Capital Corporation can begin is November [illegible]

AP-DJ

INTERNATIONAL FINANCIAL AND COMPANY NEWS

West German tyre maker expects lower profits

BY GUY HAWTIN FRANKFURT, Oct. 18.

CONTINENTAL GUMMI-WERKE's hopes of resuming dividends were dashed by today's interim report. The company did not utterly rule out the prospects of a renewed pay-out — after six barren years — but it gave no grounds for optimism.

The executive board of Conti-Gummi, West Germany's largest tyre manufacturer, told shareholders that looking at the group's first three quarters' performance "from today's standpoint," it was unlikely that last year's profits would be equalled. In 1977 group net earnings recovered from DM 15.4m to DM 35.7m ($14m).

Business developments in the first nine months of 1978 had been adverse, said the board, adding: "It is unfortunately unknown when the shareholders will be able to benefit from the fruits of our labour."

Turnover of the parent company during the first nine months rose by 2.2 per cent to DM 1.5bn ($819.7m) against the comparable figures for 1977. Overseas sales had risen faster than those at home, but even so growth was scarcely impressive.

Foreign sales were up 3.5 per cent to DM 302.5m, while domestic sales went up by only 1.7 per cent to DM 846.5m. Tyre turnover increased by only 1 per cent despite fully utilised steel-belted radial tyre capacity, and once again the tyre sector operated at a loss. The technical products sector, on the other hand, was profitable.

During the first half of the year Conti-Gummi was able to maintain sales and profits almost at 1977's levels. However, since then world-wide jockeying for position had brought about heavy declines in price in important sectors of the tyre market.

Conti-Gummi had pursued a conservative price policy, thanks to which there had been a slight improvement in important sectors of the market, said the report.

MEDIUM-TERM CREDITS

New borrower from Brazil

BY FRANCIS GHILES

A NEW Brazilian borrower is making its appearance on the market: Banco Nacional de Habitacao, the state controlled national housing bank, is arranging a $150m two-tranche credit through a group of banks led by Chemical Bank. The first tranche, amounting to $75m carries a ten-year maturity and a spread of 1½ per cent while the second carries a 12-year maturity and a spread of 1½ per cent.

Two loans for Brazilian borrowers have been signed: the $30m for the Electric Company of Rio Grande do Sul which has been arranged by Credit Commercial de France and the $150m one for Light Servicios de Electricidad arranged by Westdeutsche Landesbank.

The first loan comes in two tranches: one of $150m and another of $80m. The first carries a maturity of ten years with five years grace and a spread of 1½ per cent, while the second carries a 12-year maturity with six years grace and a spread of 1½ per cent. Accompanying this loan is a FFr 605m Coface backed credit.

The second loan is in three tranches: $65m for ten years with five years grace and a spread of 1½ per cent; $65m for 12 years with six years grace and a spread of 1½ per cent; and $20m for 15 years with five years grace and a spread of 1½ per cent. This tranche has been placed exclusively among the seven managers and the lead manager.

Interest in the market now centres on the loan for the Itaipu project also in Brazil which is being arranged by Deutsche Bank. The amount is understood to be about $350m and the longer tranche to include a maturity of 15 years. It is not clear yet whether the lead manager will follow the example of Westdeutsche Landesbank and place this tranche exclusively among the managers or try and syndicate it in the open market. This credit is part of a larger package which also includes export credits.

The $700m loan for the Tubarao steel project and which is being arranged by Japanese banks is expected to be signed later this month.

The government of Australia signed a contract in Tokyo yesterday for a Y40bn 10 year loan with six years grace from a group of banks led by Long Term Bank of Japan. The borrower is paying a fixed interest rate of 7.1 per cent over the Japanese long term interest rate.

On a second loan for the same amount this time with a 20 year maturity being negotiated with another syndicate of banks led by Mitsubishi Trust the borrower is expected to pay an interest rate of 7.6 per cent over the long term interest rate.

Five Dutch groups join farm project

BY CHARLES BATCHELOR THE HAGUE, Oct. 18.

FIVE LEADING agricultural companies today announced plans to co-operate on projects in developing countries. They are to form Agri Business Group Holland which will begin operations next year in projects involving the cultivation, processing, transport and storage of agricultural products.

The members of the group are AVEBE Co-operative, the world's largest producer of potato starch, HES Beheer, stevedoring company with extensive grain and oil seeds handling operations in Amsterdam, HVA, a company involved in turnkey agro-industrial projects, Wessanen, a processor of dairy products, meat, flour, and animal feeds, and Centrale Rabobank, the Dutch agricultural co-operative bank.

The Agri business group plans to carry out about 20 visits to developing countries next year to assess demand. Mr. G. H. van Driel, chairman of Wessanen, said that it aims to take on projects of around Fl. 100m to Fl. 200m ($48m—$96m) which might be too large for any one company.

The group will provide advice on project development, and train local people or send out its own skilled staff.

Daf Trucks chairman forecasts downturn

By Kenneth Gooding

DISAGREEMENTS between International Harvester of the U.S., the world's biggest truck manufacturer, and Daf Trucks of Holland, came out into the open yesterday. Speaking on the eve of the International Motor Show in Birmingham, Mr. Piet Van Doorne, Daf's president said the 1972 links between the two companies, which involved IH taking a 33 per cent stake in Daf, had produced hardly any of the expected benefits.

He insisted that suggestions that IH might acquire the rest of Daf as part of its current efforts to expand in Europe were wide of the mark. Speaking as chairman of the Van Doorne Foundation, which owns another 44 per cent of the Daf shares, Mr. Van Doorne commented: "The Foundation will not sell, so IH cannot gain control."

He also gave a warning that Daf's financial results this year will be well down on those for 1977. Industrial disputes in the trucks business, which brought plants to a standstill, and the introduction of a new production control system, meant that production was well below budget.

The results had also been hit by higher than expected start-up costs for the production of landing gears for the F60 aircraft, and the trailer manufacturing subsidiary in Spain had been working at very low capacity. However, the group looked forward to 1979 with confidence. Truck production would be raised to about 15,000 units, over 2,000 more than in any previous year, and this will ensure reasonable profitability, Mr. Van Doorne said.

Dealing with the relationship with IH, Mr. Van Doorne said that the injection of capital by the American group in 1972 had achieved the effect planned: "It has made it possible for us to grow to our present size," he said. However, the plan to sell Daf trucks through IH outlets in the U.S. fell through because the depreciation of the dollar pushed up the price of the European vehicles.

Mr. Van Doorne stressed that he was convinced that other European truck makers would penetrate the U.S. market only if they were prepared to accept very considerable financial losses. "They will just have to buy their way into this market," he said.

Problems mount for Air France

BY DAVID CURRY PARIS, Oct. 18.

THE re-equipment programme of the state-owned carrier Air France—the country's third largest foreign exchange earner—has been completely undermined by the company's unresolved dispute with its pilots over manning levels in aircraft cockpits, and the decision to give priority to the development of the 200-seater version of the Airbus over a new smaller medium-range jet.

As a result, air France faces the distinct possibility of finding itself with a serious shortage of capacity in the 100-seat range of aircraft, and having to cede traffic to competitors.

It also destroys the basis of the airline's recovery programme agreed with the government.

One of the airline's main problems has been the need to maintain in service a large fleet of Caravelle aircraft to serve its shorter-haul low density routes. Part of the company's arrangement with the government was for the latter to pay Air France a subsidy for the maintenance of the Caravelles in service until the planned European replacement (the JET) became available around 1982.

Until the JET became available, Air France was given permission to acquire a fleet of 13 Boeing 737 aircraft to replace the Caravelles.

Now, both the JET project and the 737 acquisition have been dislocated. The decision to press ahead with developing the A310 version of the Airbus—to respond primarily to the needs of Luthansa—has meant that at the earliest the JET will not see the light of day until 1985, and it is far from certain whether, in the face of the new generation of U.S. aircraft, it will be built at all.

Simultaneously, the Air France pilots, union has flatly refused to man the 737 without a three-man flight deck, including an engineer. The company says that every other airline operates with two men up front, and that it will not take the extra costs of three-man manning. As a result of this dispute, the company has lost its place in the Boeing queue and has been forced to drop this part of its project

The company says that it would go ahead with the leasing of 737s if it reached agreement with its pilots. It hopes that it could obtain some aircraft Boeing reserves for "emergency" needs, and says that it foresees at least a seven-year life for the Boeings in the light of the changing prospects for a new European airliner.

This leaves Air France with a considerable problem: it is still operating 23 Caravelles, and the airline intended that all of them would have disappeared in favour of 737s by around 1980.

The company has asserted that there is no reasonable way of prolonging the life of the Caravelles without incurring unacceptable costs. It also affirms that it has not yet examined closely the availability of alternative types to the 737.

In any case, the pilots would presumably refuse to operate any aircraft with only two men in the cockpit (Fokker has been suggesting French co-operation on its F28 development), while the problem will not be resolved by adding to the Airbus fleet.

The airline operates 11 Airbuses and has seven more on order, all in the B2/B4 version. It has indicated a willingness to buy the A310 to the extent of four aircraft, but it is not essentially enthusiastic about the A310 as far as its own needs are concerned.

Lufthansa and British Airways have both placed recent substantial orders for 737s, and the French airline is afraid of finding itself short of a competitive aircraft and forced to trim its schedules in line with its insufficient capacity.

CFP sees higher profits

BY OUR FINANCIAL STAFF

SHARP increases in profits over the next few years were forecast yesterday by CFP (Cie Française des Petroles) the French state oil company.

Against FFr 2.9bn in 1977, the company suggested that by 1981 group cash flow will be running at some FFr 5bn. Profits in the current year are improving, and CFP feels that group cash flow in 1979 will be in the region of FFr 4bn rising to FFr 4.5bn in 1980.

Consolidated net profit, which was around FFr 300m in the first half of 1978, will be "greater" this year than last year's FFr 260m. It will, however, be subject to revision for changes in the value of stock.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Iran-Australia export meat venture in receivership

BY JAMES FORTH — SYDNEY, Oct. 18.

AUSTIRAN, a meat export venture involving the Iranian Government and major Australian interests, has been placed in receivership. Austiran was formed in 1976 and exports live sheep and frozen lamb to the Middle East, mainly Iran, worth about A$100m (US$116m) a year.

The National Bank of Australasia today appointed receiver managers at the request of the AUSTIRAN directors. The National Bank itself is one of the major shareholders with 37.5 per cent of the equity. The other shareholders are the Iranian Government (40 per cent), the Industrial and Mining Development Bank of Iran (10 per cent), and Darling Collett International, the Australian group.

AUSTIRAN was formed to service long term contracts for the supply of meat and livestock to the State Meat Corporation of Iran. These contracts were the subject of renegotiation over recent months and culminated in a new short-term contract in September and an agreement to negotiate a further long-term contract before March 21, 1979.

As a result of the protracted nature of these negotiations, coupled with the present political unrest in Iran, the funding agreed to by the State Meat Corporation had not to date been forthcoming, causing severe strain on the cash resources of AUSTIRAN. In these circumstances the directors felt it prudent to request the National Bank to take action.

It was expected that the negotiations with the State Meat Corporation would be continued and because of this it was felt that any further comment at this stage would be counter-productive to AUSTIRAN and to the important trade between Australia and Iran, the directors said.

The receiver-managers are Mr. Gary Warhurst and Mr. John Harkness, from the chartered accounting firm, Hungerfords.

The size of the debts is not known at this stage but a major difficulty has been that AUSTIRAN charters the vessels to transport the meat and livestock and at present has been unable to find alternative trade for the vessels. The shipping lines involved are believed to be among the main creditors.

The National Bank itself is a secured creditor through the overdraft facilities extended to the company. It is believed that the overdraft at present is a relatively low figure. The issued capital is A$8m (U.S.$9.3m) and whether this will be lost depends on the ability of the receiver-managers to solve the company's problems. It is intended at this stage to continue trading if possible.

Hutchison Properties foresees upturn

By Ron Richardson

HONG KONG, Oct. 18.

HUTCHISON PROPERTIES, the Hutchison Whampoa subsidiary which is involved in disputed merger negotiations with another group member, City and Urban Properties, has forecast a profit rise of more than 70 per cent in 1978.

In an interim report, directors announced consolidated attributable net profit, for the first eight months of the year of HK$11.1m (US$2.3m) and estimated full-year earnings of not less than HK$37m, compared with last year's total of HK$21.4m. The interim figure is not comparable with previous periods as it has been computed on a different basis in regard to development profits.

To bring the interim dividend more into line with the pattern of profits, the half-year payment has been doubled to 20 cents a share. This will be followed by final payment of at least 36 cents, making a total of at least 56 cents, compared with the previous year's 53 cents.

The chairman, Mr. W. R. Wyllie, said that all the group's subsidiaries performed well during the year to date, and that all investment properties remained fully let.

As part of the merger negotiations with City and Urban Properties, Hutchison Properties' real estate and property portfolio were revalued on August 31. This showed a surplus of HK$$ 165m over the book valuation at that date. At the last balance date the company's accounts showed property assets at HK$ 235.3m, so the revaluation has written up the property portfolio by about 70 per cent.

SAMURAI BONDS

National loans squeeze market dry

BY RICHARD HANSON IN TOKYO

The flight from the market in Samurai bonds has been almost as rapid as the quick development over the past year or so—after the Japanese authorities began encouraging foreigners to borrow yen. The hope was that this would help reduce Japan's large balance of payments surplus. What has happened since then is a shift in the Japanese Government priorities prompted by the huge amount of National bonds needed to finance a reflationary Budget, which crowded out foreign borrowers

THE JAPANESE financial world has abruptly demoted the once bright Samurai bond issue, which re-emerged in 1975, to "Ronin" status, a term describing those of the old warrior élite who in bad times were cast out by powerful lords and protectors.

Japanese security houses, which rule the market, have received in rapid fire over the past four working days three postponement telexes from foreign governments and agencies who planned to issue yen-denominated "Samurai" bonds in Tokyo this month and next. The latest was from Venezuela yesterday, while Finland and a Brazilian borrower opted out on Saturday.

The flight from the Samurai bond market has been almost as stunning as the quick development over the past year or so, after the authorities here began encouraging foreigners to borrow yen. The hope was that this would help reduce Japan's large balance of payments surplus. What has happened since then is a shift in Japanese Government priorities prompted by the big amount of National Government bonds needed to finance a reflationary Budget which in turn crowded out the foreigners. Also apparent now, despite the sudden popularity of the bonds when they were easy to sell, is the fact that the securities industry never applied itself to installing a system for marketing the bonds.

The demise of the market has understandably annoyed foreigners who complain that they cannot get terms as good as domestic corporate borrowers—which the best-rated foreigners were able to do as late as June.

Venezuela wanted to float Y40bn in 12-year yen bonds in November. The Japanese underwriters cut that to 10 years, and higher than desired terms led Venezuela to postpone. Finland wanted to raise Y25bn, while the Brazilian power concern, Centrais Energeticas de Sao Paulo, was seeking Y15bn.

In September, the Mexican Government decided not to float a Y20bn bond: New Zealand angrily postponed (and reportedly nearly cancelled completely) a large Y50bn float.

New Zealand, which has already issued two yen bonds is typical of would-be foreign borrowers who have opted out of the market. It wanted a coupon rate of about 6.4 per cent over 12 years while the underwriting group, led by Yamaichi Securities and the Bank of Tokyo offered 10 years at 6.7-6.8 per cent. A compromise coupon of 6.6 per cent was rejected, with New Zealand disturbed by the fact that a bond, issued in November last year, currently yields closer to 6.5 per cent in the limited secondary market.

In June, yields reached levels as low as 6.326 per cent figured on a compound yield to maturity basis for a 15-year Y15bn by the Asian Development Bank. This was better than the top rated domestic corporate bonds and just about the yield on Government bonds. Venezuela had issued Y40bn in May for 12 years, with a yield of 6.412 per cent.

The rush to postpone has meant that there were no issues in either September or October after a monthly peak of Y135bn had been touched in July. For the fiscal year ended March 31, Y454bn worth of bonds were floated by foreigners. The April-August issues almost touched that level, but the total is well below early estimates.

The only issue certain for November is that by the Kingdom of Norway which will raise Y25-50bn. This is expected to be successful because the bonds will be for only five years' maturity. Short-term securities are in great demand as most corporate financial offices with spare funds see long-term rates presently at a bottom. In December, Australia would have liked to raise about Y75bn in 15-year bonds as part of a total package of about US$800m to be borrowed in Japan. This too would probably only amount to Y50bn for ten years.

Though exchange risk factors may have caused some caution on the part of Samurai bond issuers, this risk plays a limited role in dampening the market at the moment. The Japanese Government simply has to sell its national deficit financing bonds in order to maintain economic growth targets. National Government bonds have been floated at a monthly rate of about Y1,000bn since April, about Y1,500bn is expected in November. To place these securities, houses have had to employ their large sales staffs to the hilt, and commercial banks have had to absorb large amounts. Securities houses' salesmen remain unfamiliar with Samurai bonds: and building up a Samurai marketing network in Japan will remain a low priority for as long as the Government dominates the bond market. Forecasts are that the Government will be heavily dependent on deficit financing bonds for many years to come.

In the past, as a result of broad domestic institutional support for the Samurai bond, foreign issues were quickly hawked to an eager group of foreigners who speculated correctly that there was good profit to be made from investing in yen. The Finance Ministry officially set a 2 per cent limit on the initial subscription allotment by non-residents. Despite this the yen bond sometime within hours of the issue time, would find their way into foreign hands through the secondary market. It is estimated that foreigners end up buying around 50 per cent of Samurai bonds and that about 40 per cent of the approximately Y1,000 in such bonds currently outstanding are in non-resident hands.

The potential benefits to foreigners speculating that the yen will gain even more dramatically appears slim at the moment—hence the dwindling of a major segment of the market. The securities houses cannot be bothered to drum up new markets—hence the unfavourable terms.

The Finance Ministry seems to have taken a calm "there's nothing we can do about it" view of the Samurai market. It argues that market forces cannot be changed and that the impact on the balance of payments has been negligible because of the active outflow of long term capital through increasingly aggressive Japanese bank lending overseas.

S. African retail sector up

BY RICHARD ROLFE — JOHANNESBURG, Oct. 18.

THE CURRENT buoyancy of the distributing and retailing sectors in South Africa is reflected in interim figures published by two groups which have maintained long-standing growth records.

Both sets of figures, for the six months to end-August, cover the consumer spree ahead of the introduction of the General Sales Tax and the subsequent decline in consumer spending which, as a result of the timing of personal tax cuts, was less severe than feared.

Metro Cash and Carry, the food distributor, raised turnover from R104m to R148m ($170m) for the period, and with margins maintained at 2.5 per cent on the higher level of sales, pre-tax profits rose from R2.7m to R3.8m. At the net level, the rise was from R1.5m to R2.1m ($2.4m) and earnings per share went ahead from 43c to 82c. The interim dividend was raised from 20c to 30c.

The Metro group now has 98 outlets locally and one in New York, with seven opened during the latest six months. Plans call for the opening of another 30 in the next two years. Metro's policy is to arrange leasebacks with the financial institutions rather than to invest in property on its own account, and the latest statement shows that only a residual amount of the capital commitment will have to be funded internally.

The expansion plans should assure further growth but the immediate guessing game revolves around the final dividend. Last year, the total was 56c and the 50 per cent rise in this year's interim suggests a total of about 84c, putting the shares, at 1,500c, on a yield of 5.6 per cent.

The board forecasts that results in the second half year should "substantially exceed" those for the first half. With over 60 per cent of profits earned in the second half of last year, Metro could be in line for pre-tax profits up from R7.2m in the year to last February to about R9.5m and earnings up from 126c to 155c.

The larger Pep Stores group, which specialises in small outlets selling low priced clothing products, says in a statement that its turnover was up 17 per cent in the six months to end-August and net income from R1.9m to R2.2m ($2.51m).

The board says that profits are ahead of budget and has raised its forecast pre-tax profits from R10m to R11.3m. The interim dividend has been raised from 18c to 20c. With the shares at 585c, the historic yield on last year's 48c dividend is 8.1 per cent.

Metal Box India issue

BY K. K. SHARMA — NEW DELHI, Oct. 18.

THE METAL BOX Company of India will make an issue of unsecured convertible bonds worth Rs 20m ($2.52m) and preference shares worth Rs 5m ($631,000) to partly finance a Rs 200m ($25.25m) plant to manufacture ball bearings, taper roller bearings and cylindrical roller bearings.

The chairman of Metal Box, Mr P. K. Nanda, said the plant will be located in West Bengal and is expected to begin commercial production early in 1980.

Foreign assistance will come from a subsidiary of the Renault group of France.

The rest of the capital for the new project is to be obtained through term loans of Rs 127m ($16.03m) while the company will provide Rs 20m from its own resources. This has become possible, according to Mr. Nanda, because of the substantial improvement of the working of the company which has declared a dividend of 8 per cent for 1977-78.

Paper Products raises its share stakes

BY WONG SULONG — KUALA LUMPUR, Oct. 17.

PAPER PRODUCTS BERHAD, the manufacturer of paper boxes, cartons and toilet products, is to buy up substantial holdings in two related companies in which it already has an interest, and to offer part of its equity to Malays.

The company has said that it has agreed to pay 130 ringgits each for 22,000 shares of 100 ringgits each in North Malaya Paper Mills, and 2.2 ringgits each for 600,000 shares of one ringgit each in Shiu Fook Son, Berhad.

Paper Products already holds 31 per cent in North Malaya Paper and 58 per cent in Shiu Fook, and with the acquisitions, its holdings in the two companies would be 86 per cent and 55 per cent respectively.

As part of the deal, that has been approved by the Malaysian Government's Foreign Investment Committee, Paper Products would issue 4.5m shares to Malays—the price of which would be determined later by the FIC, and proceeds of which would be used to finance the two acquisitions and to supplement working capital.

Paper Products said the deal was aimed at forming a more compact organisation, and to conform with government policy regarding Malay equity. For last year, North Malaya Paper and Shiu Fook made a pre-tax profit of 680,000 ringgits (U.S.$313,364) and 833,000 ringgits respectively.

ANZ Finance (Far East) opens

ANZ Finance (Far East), the newly-established Hong Kong subsidiary of ANZ Banking Group, has been officially opened, writes our Financial staff.

ANZ has had a representative office in Hong Kong since 1974. It is, it points out, the first Australian bank to establish a wholly-owned subsidiary registered under Hong Kong law as a deposit-taking company equipped to handle all financial aspects of international trade transactions.

The establishment of ANZ Finance (Far East) creates a further link in the chain of ANZ Bank operations in important money centres around the world. Its computerised wholesale finance and foreign exchange dealing capability complement the wholesale and corporate banking operations of the bank in Australia, New Zealand, UK and North America.

The new company's range of wholesale finance and foreign exchange services include foreign exchange dealings in major currencies. This includes spot and forward exchange dealings and remittance in Australian dollars, New Zealand dollars, Papua New Guinea Kina and Fijian dollars. It also includes deposit facilities in major foreign currencies, including Hong Kong dollar denominated amounts of HK$50,000.

Jack Chia share offer

BY OUR OWN CORRESPONDENT — KUALA LUMPUR, Oct. 18

THE SINGAPORE-BASED Jack Chia Group has made an offer to the Malaysian public to subscribe about 8.12m shares in its newly formed Malaysian subsidiary, Jack Chia Enterprises Berhad at par of 1 ringgit each.

The share offer is equivalent to 43 per cent of the equity of the new Malaysian company, which was formed to take over all the Malaysian interests of the Jack Chia Group.

Of the offered shares, 800,000 units are to be reserved for the Malaysian employees of Jack Chia Enterprises, 5.2m units for Malays and Malay financial institutions, with the balance being offered to the public.

Jack Chia Enterprises has interests in manufacturing and distribution of confectionery, toiletry, and pharmaceutical products, and publishing and book retailing. It also owns the Eastern and Oriental Hotel in Penang Island, which is one of the best known hotels in the region.

The directors expect the company to make a pre-tax profit of 3m. ringgits (U.S.$1.4m) for the year ending March, 1979, and predict a gross dividend of 8 per cent.

Isuzu profit forecast up

TOKYO, Oct. 18.

ISUZU MOTORS has raised its after-tax profit forecast for the current business year, ending this month, to about Y13.0bn ($70m) from its previous Y12.4bn estimate. Sales are now expected to reach about Y560bn, against the earlier forecast of Y558.0bn.

The new profit forecast is equivalent to a gain of 110 per cent on the Y6.18bn for the year ended last October, when sales totalled Y468.76bn.

The better performance this year will result from a rise in domestic sales of large trucks following increased Government spending on public works.

Vehicle sales in the current business year will rise to about 400,000 from 332,000 last year, Isuzu said. It plans to double capital outlay for plant and equipment in the next financial year to Y40bn in order to increase vehicle production, especially cars.

Reuter

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Currency, Money and Gold Markets

Dollar weak in quieter trading

onditions in yesterday's eign exchange market were erally quieter than earlier in week with the dollar conting to decline against most jor currencies. With trading at ower level, European Central iks took advantage on occasion prop up the U.S. currency and r touching DM 1.8290 against West German mark, it shed at DM 1.8355 compared n Tuesday's close of DM 1.8380.

Swiss franc was also firmer SwFr 1.5065 against SwFr 95, after a day's best of Fr 1.5015. Some of the weaker nbers of the snake touched ord levels against the dollar the Belgian franc closing at 28.00¼ against BFr 29.10 and Danish krone firming to 5.11 compared with DKr 75 previously. The Dutch der reached a record Fl2.00 re finishing at Fl2.0030 against 0170.

sing Morgan Guaranty figures noon in New York, the dollar's e weighted average deprecia- remained at a record level l per cent. The Japanese yen slightly easier after Tues- s high of Y181.70 and closed Y182.20.

erling showed a slightly ker tendency overall and after ning at $1.9955-1.9965 against dollar, it eased to $1.9935 re recovering on dollar weak- to $1.9990. Its closing rate $1.9955-1.9965 was unchanged the opening and Tuesday's e. The pound's weakness all was reflected in the Bank England's calculation of its e weighted index, which fell 2.0 from 62.1, having stood at at noon and 62.1 in the morn-

Against the West German k, the pound continued to line to DM 3.6650 from 3.6700 previously.

RANKFURT—The dollar con- ed to fall against the D-mark reached a further record low e fixing of DM 1.8300 against 1.8408 on Tuesday. Again the desbank gave heavy support he fixing, buying some $23m rrest the decline. There were fresh factors affecting the tet with continued lack of confidence in the U.S. currency contributing mainly to its decline.

BRUSSELS — At the fixing the dollar sank to a recod low of BFr 28.99 compared with BFr 29.145 on Tuesday and there did not appear to be any official intervention at the fixing. The franc has been caught in the slipstream of the D-mark's rise against the dollar despite strenuous efforts by the Swiss and German authorities to restrain the dollar's fall.

MILAN—The dollar was fixed at L812.20 compared with the previous level of L813.80. Against other currencies the lira was generally weaker with the D-mark fixed at L443.75 against L442.13 and the Dutch guilder at L406.09 from L404.92. Both the yen and the Swiss franc improved in lira terms and the Belgian franc rose to L28.04 from L27.96. The Bank of Italy seemed resigned to letting the lira depreciate against European currencies while at the same time allowing a sharp rise in terms of the dollar.

PARIS—The French franc was stronger against the dollar at the fixing at Fr 4.2120 against Fr 4.2315 while the D-mark continued to improve to Fr 2.3006 from Fr 2.2990.

AMSTERDAM—A further record low was recorded by the dollar against the guilder and it was fixed at Fl 2.0005 against Fl 2.0105 previously.

TOKYO—Conditions remained nervous and the U.S. dollar was again weaker in terms of the yen and closed at Y182.15. The previous close was Y182.375. Selling pressure continued for most of the day and the Central Bank intervened to the tune of at least $30m. This helped the U.S. currency recover from its low of the day of Y181.85 and in fact it touched Y182.55 at one point.

Japan's increased trade surplus appeared to be very much in line with market expectations and had little immediate effect. Trading is likely to become a little confused with market sources unable to define the Central Bank's intervention level. Trading in the spot market totalled $517 while combined forward and swap trading accounted for $620m.

THE POUND SPOT / FORWARD AGAINST £

Oct. 18	Bank rate %	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S. $	9½	1.9855-1.9990	1.9955-1.9965	0.55-0.45c pm	3.00	1.75-1.65c pm	3.41
Canadian $	10¼	2.3610-2.3640	2.3580-2.3590	0.30-0.20c pm	[illegible]	2.10-2.00c pm	3.48
Guilder	6½	3.99½-4.14	3.99⅞-4.00⅞	½c pm-½c dis	par	2⅝-1⅝c pm	2.12
Belgian F	6	57.70-58.25	57.75-57.85	5-15c dis	−2.08	25-45c dis	−1.38
Danish K	8	10.18½-10.28½	10.18½-10.20½	7-9 ore dis	−9.41	10½-12 ore dis	−4.22
D-Mark	3	3.66-3.68	3.66-3.67	3½-2½pf pm	9.83	9⅜-8⅜pf pm	9.65
Port. Esc.	18	89.75-91.75	90.40-90.50	70-170c dis	−16.18	200-480c dis	−15.48
Span. Pes.	8	138.85-139.20	138.95-139.05	25-125c dis	−6.47	100-220c dis	−4.59
Lira	10½	1,621½-1,626½	1,623-1,624	1-3 lire dis	−1.64	4-6 lire dis	−1.25
Nrwgn. K.	7	9.82-9.86	9.83½-9.84½	3-5 ore dis	−4.89	3-5 ore dis	−2.04
French Fr.	9½	8.40-8.45	8.40-8.41	3-2c pm	3.67	8-7c pm	6.57
Swedish Kr.	6½	8.55-8.59	8.55-8.56	2½ ore pm	1.75	7½-5½ ore pm	3.16
Yen	3½	360-370	363-365	3.00-2.65y pm	9.61	8.10-8.75y pm	9.80
Austria Sch.	4½	26.75-26.90	26.75-26.85	17-7 gro pm	5.37	42-32 gro pm	3.62
Swiss Fr.	1	3.00-3.05	3.00½-3.01½	5½-2½c pm	11.45	10½-8½c pm	13.11

Belgian rate is for convertible francs. Financial franc 61.05-61.15.

Six-month forward dollar 3.28-3.18c pm 12-month 5.95-5.85c pm.

THE DOLLAR SPOT / FORWARD AGAINST $

October 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
Canad'n $*	84.78-84.95	84.78-84.82	0.06-0.04c dis	−0.48	0.04-0.01c dis	−0.11
Guilder	2.0042-2.0175	2.0042-2.0052	0.43-0.55c dis	−2.94	0.45-0.60c dis	−1.05
Belgian Fr	28.99-29.15	28.99-29.02	10-18c dis	−5.62	26-20c dis	−2.48
Danish Kr	5.1175-5.1420	5.1175-5.1200	5.00-5.50ore dis	−12.33	11½-11¾ore dis	−9.01
D-Mark	1.8325-1.8400	1.8325-1.8335	0.92-0.87pf pm	5.59	2.99-2.94pf pm	6.09
Port. Esc	44.70-45.72	45.52-45.72	35-180c dis	−28.28	130-580c dis	−27.62
Lira	813.00-816.50	813.00-813.60	2.50-3.50lire dis	−4.43	8.50-10 lire dis	−4.55
Nrwgn. Kr	4.9225-4.9360	4.9260-4.9280	2.60-3.10ore dis	−6.93	7.50-8.00ore dis	−6.28
French Fr	4.2100-4.2325	4.2125-4.2145	0.40-0.20c pm	0.85	0.57-0.37c pm	0.26
Swedish Kr	4.2900-4.3000	4.2900-4.2920	0.10-0.30ore dis	−0.56	0.25-0.45ore dis	−0.33
Yen	181.35-182.15	182.00-182.15	1.05-0.90y pm	6.06	3.00-2.90y pm	6.21
Austria Sch	13.43-13.45	13.44-13.45	3.50-2.50gro pm	2.68	8.75-6.25gro pm	2.23
Swiss Fr	1.5052-1.5077	1.5062-1.5077	1.26-1.11c pm	9.55	3.76-3.72c pm	9.44

* U.S. cents per Canadian $.

CURRENCY RATES

October 17	Special Drawing Rights	European Unit of Account
Sterling	[illegible]	0.662628
U.S. dollar	1.30597	1.34208
Canadian dollar	1.54267	1.61329
Austrian schilling	17.5002	18.3786
Belgian franc	38.0625	39.6970
Danish krone	6.71269	7.00291
Deutsche Mark	2.40483	2.50700
Guilder	2.62565	2.73980
French franc	5.52621	5.76470
Lira	1062.73	1108.87
Yen	240.037	247.708
Norwegian krone	6.42341	6.71536
Peseta	91.0966	95.0644
Swedish krona	5.61699	5.85605
Swiss franc	1.97032	2.05379

CURRENCY MOVEMENTS

October 18	Bank of England Index	Morgan Guaranty changes %
Sterling	62.0	−42.1
U.S. dollar	81.54	−11.8
Canadian dollar	78.67	−18.3
Austrian schilling	145.20	+18.7
Belgian franc	114.18	+15.3
Danish krone	117.70	+ 4.5
Deutsche Mark	149.03	+40.8
Swiss franc	211.89	+99.4
Guilder	122.76	+19.3
French franc	98.48	− 6.3
Lira	55.05	−48.4
Yen	157.53	+55.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Oct. 18	£	$		£ Note Rates
Argentina Peso	1,775-1,779	889.25-891.25	Austria	26.5-27.5
Australia Dollar	1.7005-1.7075	0.8520-0.8558	Belgium	61.0-63.0
Finland Markka	7.81-7.85	3.9310-3.9380	Denmark	10.20-10.30
Brazil Cruzeiro	37.83-38.83	18.95-19.45	France	8.40-8.50
Greek Drachma	70.952-72.690	35.55-36.43	Germany	3.62-3.72
Hong Kong Dollar	9.43-9.46	4.7360-4.7380	Italy	[illegible]
Iran Rial	137-145	70.40-70.65	Japan	364-374
Kuwait Dinar(KD)	[illegible]	[illegible]	Netherlands	3.97-4.07
Luxembourg Franc	57.75-57.85	28.95-28.98	Norway	9.80-9.90
Malaysia Dollar	4.3150-4.3300	2.1640-2.1680	Portugal	88-104
New Zealand Dollar	1.8585-1.8675	0.9310-0.9358	Spain	142-147
Saudi Arabia Riyal	6.55-6.63	3.2995-3.3010	Switzerland	2.98-3.08
Singapore Dollar	4.3100-4.3250	2.1610-2.1640	United States	1.9975-2.0050
South African Rand	1.7217-1.7479	0.8626-0.8755	Yugoslavia	41-43

Rate given for Argentina is free rate.

CHANGE CROSS RATES

Oct. 18	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
l Sterling	1.	1.996	3.665	364.0	8.405	3.015	4.003	1624	2.359	57.50
Dollar	0.501	1.	1.836	182.4	4.211	1.509	2.005	813.4	1.182	28.86
che Mark	0.273	0.545	1.	99.32	2.293	0.822	1.092	443.0	0.644	15.77
ese Yen 1,000	2.747	5.484	10.07	1000.	23.09	8.275	11.00	4460.	6.479	158.8
n Franc 10	1.190	2.375	4.360	433.1	10.	3.584	4.762	1932.	2.806	68.77
Franc	0.332	0.663	1.217	120.8	2.790	1.	1.329	538.9	0.783	19.19
Guilder	0.250	0.499	0.916	90.94	2.100	0.753	1.	405.6	0.589	14.44
Lira 1,000	0.616	1.229	2.257	224.2	5.177	1.856	2.465	1000.	1.453	35.60
ian Dollar	0.424	0.846	1.554	154.3	3.564	1.277	1.697	688.4	1.	24.51
n Franc 100	1.770	3.465	6.241	629.8	14.54	5.212	6.975	2809	3.980	100.

O-CURRENCY INTEREST RATES*

t. 18	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
term	8⅝-9	8¾-9	8¼-8¾	10-12	par-⅛	2¾-2⅞	6⅞-7⅛	7-10		2⅝-4⅝
y's notice	10⅜-11	9⅛-9⅝	8¼-9¼	10-12	par-⅛	2¾-2⅞	7¼-7½	12-16	9-9⅛	[illegible]
	11⅞-12⅜	8⅞-9⅛	9⅛-9½	11¼-11¾	par-⅛	3¼-3⅜	8¼-8½	13-14	8¾-8⅞	[illegible]
months	13⅛-13⅝	9⅝-10⅛	9¾-10⅛	10¾-11¼	⅛-¼	3⅜-3½	9⅝-9⅞	13½-14½	9¾-9⅞	3¼-3⅜
nths	13¼-13½	10⅜-10⅝	9⅞-10⅛	9¼-9¾	¼-⅜	3⅜-3½	10-10¼	14-16	10⅛-10¼	3⅛-3⅜
ar	13¼-13¾	10¼-10½	9⅞-10⅛	8½-9	⅜-⅝	3¼-3⅜	10½-10¾	14¼-15¼	[illegible]	3½-3⅞

e following nominal rates were quoted for London dollar certificates of deposit: one month 9.25-9.35 per cent; three months 9.85-9.95 per cent; six months 10.05- per cent; one year 10.05-10.15 per cent.

ong-term Eurodollar deposits: Two years 9¼-9½ per cent; three years 9⅞-9¾ per cent; four years 9⅝-9⅞ per cent; five years 9¼-9½ per cent nominal closing rates. term rates are call for sterling, U.S. dollars and Canadian dollars, two-day call for guilders and Swiss francs. Asian rates for closing rates in Singapore.

NTERNATIONAL MONEY MARKET

erman banking move expected

dmum Reserve requirements rman banks are expected to educed, following the news the Bundesbank is to hold ess conference today after ortnightly central council ng. A cut in the minimum ve requirements is seen as ort-term move to increase stic liquidity, whereas it is hat a reduction in the dis- rate from 3 per cent or mbard rate from 3½ per cent be more fundamental, and ded as a long-term move, is unlikely at present.

Bundesbank last cut the num reserve requirement in by 7 per cent, and also lifted 0 per cent reserve require- on growth of foreign ities, thus releasing DM 4½bn e banking system. In June uthorities raised the amount can obtain at the discount for trade bills, by increasing discount quota DM 3bn.

ANKFURT—Call money con- d to ease in the interbank et falling to 2.80-2.90 per from 3.10-3.20 per cent. At the same time last week call money was quoted at 3.40-3.50 per cent. Other rates were generally easier, with one-month money at 3.45-3.50 per cent, compared with 3.45-3.55 per cent on Tuesday; three-month at 3.85-3.90 per cent, compared with 3.85-3.95 per cent; and six-month at 3.95-4.00 per cent, compared with 4.00-4.10 per cent. The 12-month rate was unchanged at 4.05-4.15 per cent.

NEW YORK—The weekly make up of banking figures led to the usual confusion about the probable official target level for Fed Funds yesterday. Money traded at around 8 13/16-8 15/16 per cent, against a presumed recent target rate of 8¾ per cent. The Federal Reserve open market committee met yesterday however, and may have increased the target rate, although this was obviously not immediately clear. Treasury bill rates were generally higher, with 13-week bills rising to 8.20 per cent from 8.15 per cent; 26-week bills to 8.60 per cent from 8.62 per cent; and one-year bills to 8.47 per cent from 8.45 per cent.

PARIS—Day to day money rose to 7⅛ per cent from 7 per cent. One-month was quoted at 7 7/16-7½ per cent, compared with 7½ per cent previously; three-month at 7½-7⅝ per cent, compared with 7½-7⅝ per cent; while six-month was unchanged at 7¾-7⅞ per cent, and 12-month at 8 1/16-8 3/16 per cent.

BRUSSELS—Interest rates were firmer, with one-month deposit rates for the Belgian franc (commercial) rising to 9½-9¾ per cent from 8¾-9 per cent; three-month to 9½-9¾ per cent from 8¾-9 per cent; six month to 8¾-8⅞ per cent from 8½-8¾ per cent; and 12-month to 8½-8¾ per cent from 8½-8¾ per cent.

AMSTERDAM—Call money continued its recent decline, falling to 10-11 per cent from 12-16 per cent, but other rates were firmer, with one month rising to 11-12 per cent from 10-10½ per cent; three-month to 10½-11½ per cent from 9¾-10¾ per cent; and six-month to 9¼-9¾ per cent from 8¾-9¼ per cent.

GOLD

Further record

Gold continued to improve in the London bullion market yesterday and reached an all-time closing high of $228¾-229, a rise of $4¾. After a morning fixing of $229.25, the metal improved on demand to touch $229¾-230 before being fixed during the afternoon at $229.00. Gold's rise was seen on genuine demand despite the fact that the dollar showed little movement in the foreign exchange market.

In Paris the 12½ kilo bar rose to a record high of FFr 31,200 per kilo ($230.16 per ounce) in the open market. The morning fixing was FFr 31,150 per kilo ($229.79) a record fixing level and reflected the current uncertainty in the foreign exchange market.

	Oct. 18	Oct. 17
Gold Bullion (a fine ounce)		
Close	$228¾-229	$224-224½
Opening	$227¼-228	$224¼-224¾
Morning fixing	$229.25 (£114.740)	$224.80 (£113.389)
Afternoon fixing	$229.00 (£114.646)	$225.40 (£112.726)
Gold Coins domestically		
Krugerrand	$234½-236½ (£117½-118½)	$232-234 (£116¼-117¼)
New Sovereigns	$64½-66½ (£32¼-33¼)	$63½-65½ (£32-33)
Old Sovereigns	$62½-64½ (£31¼-32¼)	$62-64 (£31¼-32¼)
Gold Coins internationally		
Krugerrand	$235-237 (£117½-118½)	$230-232 (£116¼-116¾)
New Sovereigns	$61½-63½ (£31-32)	$60½-62½ (£30½-31½)
Old Sovereigns	$62½-64½ (£31¼-32¼)	$62-64 (£31-32)
$20 Eagles	$306-311	$303-308
$10 Eagles	$156-160	$155-160
$5 Eagles	$107-112	$106-113

MONEY MARKET

Make-up day problems

ank of England Minimum ending Rate 10 per cent (since June 8, 1978)

e weekly published figure for New York banks created uation where it was difficult etermine the exact target of U.S. Federal funds, ugh it appears likely that the t rate was increased again e Federal Reserve meeting rday, following intervention e Fed to reduce liquidity in market, by way of reverse rchase agreements. Monthly -up day for London banks caused some problems with regard to liquidity, as banks fine-tuned their final figures, and were not inclined to become too deeply involved in lending funds. Overnight rates opened at 9-9½ per cent in the interbank market, and fell to 6-7 per cent in the early afternoon, but rose to 10 per cent at the close.

The Bank of England intervened to remove surplus funds from the London money market. This was not part of any market policy however, as in the U.S., although there remains nervousness about a possible rise in Minimum Lending Rate in the near future. With day-to-day credit in good supply the authorities sold a moderate amount of Treasury bills to the discount houses.

Banks brought forward moderate surplus balances, Government disbursements exceeded revenue payments to the Exchequer, and there was a slight fall in the note circulation. On the other hand, there was a fairly small net take-up of Treasury bills to finance.

Discount houses paid 8-8½ per cent for secured call money at the start, with closing balances taken at 7-8 per cent.

DON MONEY RATES

t. 18 978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
ight	—	6-10	—	—	—	8¾-9	7-8½	—	—	—
notice	—	—	9½-9⅝	—	—			—	—	—
or	—	—	—	—		9⅜-9⅝			—	—
notice	—	8⅝-9½	9½-9⅝	—	10¼		8¼-8¾			
onth	10-9⅞	9⅞-10⅛	9¾-9⅞	10⅛-10⅜	10⅜	10½	9⅛	9⅝	10⅛	10¾
onths	10⅛-10	10⅛-10⅜	—	10⅛-11¼	11		9⅜	9⅝	10⅜	11
months	10⅝-10⅜	10⅞-11⅛	10½-10⅝	10⅝-11⅛	11⅛	11⅛	9⅝	9⅞-10⅛	10⅝	11¼
nths	11⅛-10⅞	11½-11⅝	10⅞-11	10⅞-11¼	11¾	—			11¼-11⅜	11½
months	11-10⅞	11-11	—	11-11½	11⅞	—	—		—	
ear	11-10⅞	10⅞-11⅛	10⅞-11¼	10⅞-11⅜	11⅞	—	—		—	
ears	—		12			—	—			

cal authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage nominally three years 12-12½ per cent; four years 12-12½ per cent; five years 12½-12¾ per cent. ♦ Bank bill rates in table ying rates for prime paper. Buying rate for four-month bank bills 11-11⅛ per cent; four-month trade bills 11½ per cent. proximate selling rates for one-month Treasury bills 9⅛-9½ per cent; and two-month 9⅞-9 11/16 per cent; three month 9⅞-9 15/16 per cent. Approximate selling rate for one-month bills 9⅞-9 15/16 per cent; two-month 10⅛-10¼ per cent; and three-month 10⅛-10 5/16 per cent. One-month trade bills 10¾ per cent; two-month 10⅞ per cent; and also three-month 11 per cent. nance House Base Rates (published by the Finance House Association) 9½ per cent from October 1, 1978. Clearing Bank Rates (for small sums at seven days' notice) 5-7 per cent. Clearing Bank Base Rates for lending 10 per cent. Treasury Average tender rates of discount 9.8583 per cent.

MONEY RATES

NEW YORK

Prime Rate	10
Fed Funds	8.875
Treasury Bills (13-week)	8.20
Treasury Bills (26-week)	8.60

GERMANY

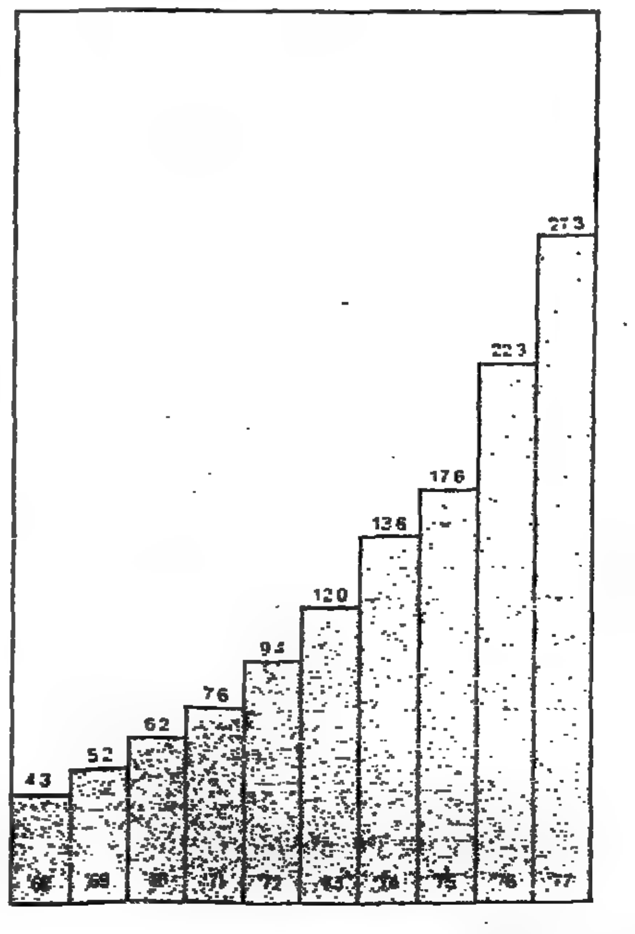
Discount Rate	3
Overnight	2.85
One month	3.475
Three months	3.875
Six months	3.975

FRANCE

Discount Rate	9.5
Overnight	7.125
One month	7.46875
Three months	7.5625
Six months	7.8125

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.375
Bills Discount Rate	4.625



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Chess: a marathon of ploys

BY LEONARD BARDEN, CHESS CORRESPONDENT

THE WORLD CHESS championship which ended yesterday in victory for Anatoly Karpov over Viktor Korchnoi by 6—5 with 21 draws will be remembered as one of the game's legendary episodes. The battle of Baguio was fought for high financial and political stakes over a marathon period between players who bitterly disliked each other.

It contained uneven play, alternating grandmasterly technique with elementary errors. It featured sustained argument and psychological ploys and nearly ended with the most remarkable recovery in championship history.

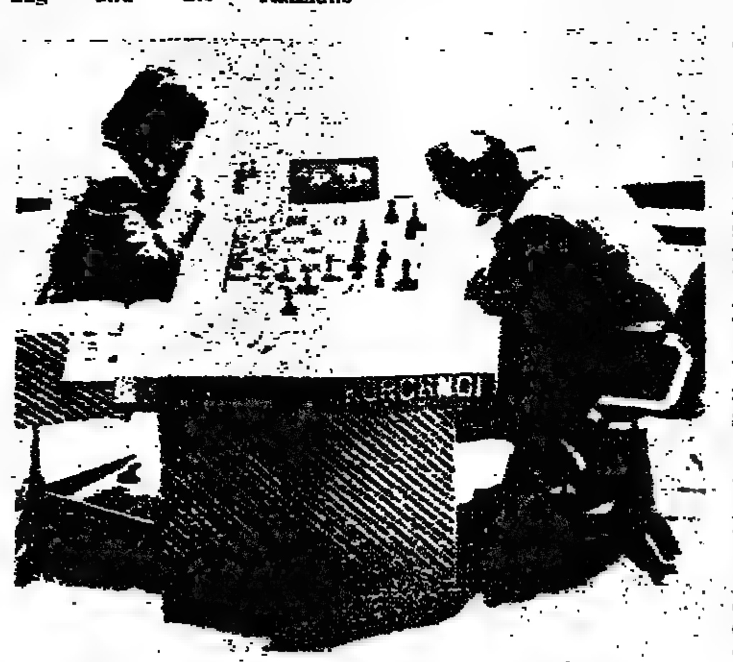
Korchnoi, the middle-aged defector, met Karpov, the youthful party member, for a stake of £300,000, three times the purse Bobby Fischer and Boris Spassky played for at Reykjavik.

For Korchnoi, 47, the match was the climax of a personal crusade. He left his native Leningrad for the West in 1976 mainly for professional reasons: as a star player and articulate writer, his income has increased tenfold since he can compete freely in the hard currency tournaments of western Europe where opportunities for Soviet grandmasters are rationed to one or two trips a year.

But other factors were involved. The Russians were obsessed with finding young men to counter Fischer: Korchnoi's outspoken comments made him enemies in the establishment, and he believed that organisers favoured Karpov during their match in 1974.

For Soviet officials, Korchnoi's appearance in the world championship of the national indoor game was a nightmare. Unlike other dissidents he could not be made a non-person whose very name was suppressed. So moves and results from Baguio were consigned to the back pages except when Karpov won. A photo from the match showed Karpov, board, men and clock—but no Korchnoi. After the 31st game when Korchnoi levelled 5—5 the names of both players disappeared from the Sovietsky Sport commentary.

The course of the match was interlinked with a stream of protests and ploys. The tone was set at the start. Korchnoi wanted to play under the Swiss flag and the Russians threatened to walk out. The match jury voted for no flags on the playing table. Karpov's manager, Baturinsky, ex-Stalinist prosecutor and KGB Colonel, had Korchnoi's chair X-rayed for electronic devices while the challenger's British seconds claimed that Karpov's daily glass of blueberry yoghurt could contain code messages.



Korchnoi watches time tick away during the last game.

Korchnoi made the early running, and Karpov countered by a Mohammed Ali-on-the-ropes game, waiting for Korchnoi's energy to burn out. Then Korchnoi failed to win from favourable positions in games three and seven, missed an elementary mate in the fifth, and started to protest about disturbance from the Soviet parapsychologist, Zukhar, who sat in the front rows of the audience and stared at Korchnoi throughout the session.

Despite 17 separate protests spread over two months, Zukhar only shifted back a few rows. From game eight, Karpov refused the traditional handshake at the start. Korchnoi retaliated by saying that he would cease talking to his opponent.

With the score 1—1, Korchnoi adjourned game 13 in a favourable position but analysed poorly, overreached and lost. Karpov took game 14 as well and then in game 17 Korchnoi threatened to use his fists on Zukhar, got another winning position, but blundered into a mate.

Down 1—4, Korchnoi considered quitting the match, but the Russians now backed down by withdrawing Zukhar to the back of the hall in return for Korchnoi ceasing to wear one-way mirror glasses "to deflect Karpov's stares." Korchnoi began daily meditation sessions with two Amanda Marga yoga teachers who were out on bail after being convicted of stabbing an Indian diplomat.

In this apparently hopeless situation, Korchnoi staged one of the great recoveries of world championship play, admittedly helped by his opponent who was looking tired. Karpov gave away simple wins in gam[e] and 22. He lost game 21[...] took advantage of Korchn[oi's] lapses in game 27 and af[ter] needing just one more win, seemed on the point of a c[om]fortable victory. But su[perior] end game play, coupled [with] great determination and [Kar]pov's casual quick m[oves] enabled Korchnoi to [score] three wins in four game[s], feat more remarkable since [Kar]pov had never lost more [than] two games in any event in [his] adult career.

But on Tuesday a revital[ised] Karpov played in convin[cing] style. By coincidence or n[ot] new Soviet protest just be[fore] the game resulted in Korchn[oi's] Amanda Marga helpers ha[ving] to leave Baguio.

Despite the final re[sult] Korchnoi was in some ways [the] moral winner of the match. [His] game was generally more [inven]tive, he was stronger near [the] finish despite a 20-year handicap, and he outpl[ayed] Karpov in the end-game w[hich] was thought one of the c[ham]pion's best departments. [He] spoilt it for Korchnoi w[ith a] chronic habit of running [short] of time, coupled with the [occa]sional really poor game.

Karpov's image as one o[f a] potentially great champion [has] been marred by his often [nega]tive strategy and his m[issed] opportunities. The contra[st be]tween his approach in B[aguio] and his many fine tourna[ment] results is striking and [it is] arguable that the unique [pres]sures of this match wer[e too] much for a young and [intro]verted man.

Korchnoi' good showi[ng is] likely to make a strong im[pres]sion on the Russian chess [play]ing public which knows [little] about his reasons for def[ection] but can certainly evalua[te his] games and the score.

While the victory [...] would have caused an u[...] in the whole Soviet ches[s estab]lishment has eluded [...] Korchoi's world champ[ionship] campaign will have got [the mes]sage across to Russian [chess] fans that a grandmaster c[an be] disgraced in his own co[untry] and yet emerge with a flo[urish]ing career.

ARAB POTASH COMPANY
HASHEMITE KINGDOM OF JORDAN

REGISTRATION OF CONTRACTORS FOR THE DESIGN, ENGINEERING SUPPLY, INSTALLATION AND COMMISSIONING OF A STEAM AND POWER GENERATING STATION FOR A POTASH REFINING PLANT

The Arab Potash Company Ltd. (APC) of Amman, Jordan plans to build a Solar Evaporation and Potash Refinery Facility to produce 1.2 million tonnes of fertilizer grade potash per year. The facilities will be located between Mazra and Safi at the Southern end of the Dead Sea about 180 km north on a new road from the Port of Aqaba. The temperature range is approximately 5°C to 50°C.

The project as a whole is divided for implementation into several contracts. For financing this particular contract APC has applied to the International Bank for Reconstruction and Development (IBRD) and the Agency for International Development (AID). The proceeds of these loans would be applied to payments against this contract for which this notice is issued.

Payment by the Lending Agencies, AID and IBRD, will be made only at the request of APC in accordance with the terms and conditions of the loan agreements. Award of Contract will be made under the guide lines of the IBRD/AID Handbook II Country Contracting and in accordance with the terms and conditions of the proposed agreements between APC and the Financing Agencies.

The selected contractor, and purchases under the contract, would be from the member countries of the IBRD, Switzerland and other nations. AID will finance purchases only in the event that the contract is awarded to a firm meeting its source-origin criteria for the USA or other countries included in its country code 941.

The Arab Potash Company invites companies capable of undertaking the full spectrum of design, manufacture and erection, and interested in receiving the pre-qualification documents to provide the following information:

1. Approximate time required to:
   (i) Submit proposals
   (ii) Provide Drawings and Technical Data for approval
   (iii) Deliver equipment to Port of Aqaba
   (iv) Erect the station complete and ready to operate.
2. List of applications where similar equipment has been in service in a similar environment for at least three (3) years listing those applications by plant name and location which may be available for inspection together with reports of operation.
3. List of similar equipment ordered on the company during the last five (5) years including the names and addresses of Buying Companies.
4. Description, capacity and range of manufacturing facilities, number of employees, engineers, etc. including current work commitments as percent of total capacity for 1978, 1979, and 1980 on a quarterly basis. Also describe any capacity to train Jordanian staff.
5. Union affiliation and expiration date of existing Union Agreements.
6. List of items usually subcontracted.
7. Availability of replacement parts and after sales service in Jordan, and names and addresses of regional suppliers and agents.
8. Financial Report for last three (3) years.

In order to be considered for prequalification, two copies of the above information must be sent in English to, and received at, the following addresses by 15 November, 1978.

Mr. M.F. Hodgins
Arab Potash Project
Jacobs International Limited, Inc.,
Park House,
North Circular Road,
Dublin 7, Ireland.
Telex: 30295 JCBS-EI

Mr. Ali Khasawneh
Chairman and General Manager,
Arab Potash Company Ltd.,
P.O. Box 1470
Amman, Jordan.
Telex: 9251683

The Arab Potash Company reserves the right to verify all statements and to inspect suppliers' facilities to confirm their ability to perform the work and to reject any prospective supplier without assigning any reason therefor.

The principal factors that will be considered in evaluation of proposals from qualified tenderers will be the turn-key lump sum fixed cost to design, manufacture, erect and commission the plant. Also its quality, operating and maintenance costs, performance and mechanical guarantees, payment terms, operational date, compliance with specifications and contractor's specific experience and capacity to perform the work. Services include but are not necessarily limited to,

One — 15 MW 11 KV 50 Hertz back pressure steam turbo generator

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— Foundations, structure framing, control room, panels, instrumentation, piping, valves, insulation etc.

Avco: The Year to Date.

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	(Thousands of dollars, except per share amounts)		
REVENUES Financial services	$ 666,837	$ 573,255	
Products and research	514,369	430,792	
Motion pictures and land development	83,554	69,263	
	$1,264,760	$1,073,310	+1[...]
EARNINGS FROM CONTINUING OPERATIONS	$ 91,271	$ 64,222	+4[...]
DISCONTINUED OPERATIONS	375	(64)	
EXTRAORDINARY TAX CREDITS	3,338	9,169	
NET EARNINGS	$ 94,984	$ 73,327	+3[...]
PER COMMON SHARE			
Continuing operations, primary	$6.78	$4.72	+4[...]
Continuing operations, fully diluted	$3.76	$2.76	+3[...]
Net earnings, primary	$7.09	$5.51	+2[...]
Net earnings, fully diluted	$3.91	$3.13	+2[...]

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WORLD STOCK MARKETS

Fresh Wall St. retreat of 8.1 at mid-session

INVESTMENT DOLLAR PREMIUM
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A FEEBLE initial rally on Wall Street yesterday morning soon petered out, and stocks resumed their decline to leave the market sharply lower at mid-session.

The Dow Jones Industrial Average, after falling over 30 points during the past two days, was 8.13 weaker at 858.19 at 1 pm. The NYSE All Common Index sustained a fresh setback of 55 cents at \$56.34, while falls outnumbered rises by about a three-to-one margin. Trading remained active, with 23.22m shares changing hands compared with Tuesday's 1 pm level of 25.14m.

Closing prices and market reports were not available for this edition.

Analysts said investors continued to fret over rising interest rates, inflation and dollar weakness. They added that the Federal Reserve may have tightened credit slightly that morning, but because of bank settlements dealers were uncertain about the meaning of a rise in the Federal Funds rate.

The market's problems are compounded by record levels of margin debt, analysts also remarked, with investors, faced with high interest rates on the margin debt and declining stock prices likely to begin unwinding margin positions.

Du Pont lost \$2 to \$129½ and **Dow Chemical** ¾ to \$27¼ despite Du Pont's third quarter net profits rising sharply and Dow's also improving.

Smithkline added \$1 at \$90¾ on nearly-doubled third-quarter results. **Congoleum** gained ¾ to \$21¾ after also reporting sharply higher third-quarter earnings.

Eastman Kodak was a net ¾ easier at \$61¾, after an initial rise to \$62¾ on forecasting record 1978 sales and profits.

General Motors shed ⅝ to \$62¾, **Union Pacific** 1½ to \$55¾, **Burlington Northern** 1½ to \$41½, **U.S. Steel** ½ to \$25⅝ and **J. C. Penney** ¾ to \$36.

IBM receded 1½ to \$277¾, **Burroughs** 1½ to \$71, **Alcoa** 1¼ to \$48½, **Boeing** 1¾ to \$64¾, **Lockheed** \$2 to \$22⅝, **General Dynamics** 1¾ to \$81½, **Teledyne** 2½ to \$98¾ and **Xerox** ¾ to \$52½.

THE AMERICAN SE Market Value Index came back 2.65 more to 160.00 at 1 pm. Volume 2.93m shares (2.83m).

Volume leader **Resorts International "A"** fell 2¾ to \$41½ and **Amdahl** slipped 1½ to \$50¾, but active **Texas International Airlines** were unchanged at \$11¾. The Civil Aeronautics board's consumer protection unit is planning enforcement action against Texas Airlines on certain advertising claims.

Canada

Most sectors shed further ground in moderate early trading yesterday. The Toronto Composite Index was off 4.8 more at 1,272.1 at noon, while Metals and Minerals declined 4.5 to 1,124.6. Banks 3.45 to 299.66 and Oils and Gas 2.9 to 1,636.3.

Nowsco Well Service lost 1½ to C\$22¾, **Numac Oil and Gas** ¾ to C\$27¾ and **Dominion Stores** ¾ to C\$16¾.

Tokyo

Further strong selective buying by Corporations and Financial Institutions sent the market further ahead in another large turnover. The Nikkei-Dow Jones Average put on 20.28 more to a record new high of 5,857.91, with volume amounting to 390m shares (350m).

Buying interest was sustained in shares related to Public Works, Domestic Consumption, Shipping, Real Estates and Papers, but Electric Appliances, Motors and Precision Instruments were lower, depressed by the further rise of the yen against the U.S. dollar.

Kajima gained Y5 to Y372, **Mitsubishi Mining Cement** Y4 to Y275, **Oji Paper** Y8 to Y389 and **Kubota** Y12 to Y305, but **Sony** lost Y20 to Y1,390, **Nippon Columbia** Y11 to Y564, **Honda Motors** Y7 to Y476, **Toyo Kogyo** Y7 to Y341 and **Ricoh** Y5 to Y581.

Paris

Shares were mostly in brighter mood yesterday with news that France's trade figures for September showed a surplus after the deficit of August giving investor sentiment a boost.

Banks, Constructions, Foods, mechanicals and Oils were generally higher, but Metals and Chemicals showed an easier tendency.

In Foods, **BSN-Gervais-Danone** moved ahead 33 to FFr 683.

Cie Francaise des Petroles were slightly higher after stating that it expects a cash flow improvement in coming years.

Cetelem, Eurafrance, L'Oreal, Legrand, Pernod-Ricard, Dumez, Poclain, Saunier-Duval, Carrefour, BIC, Paris-France, Matra and **Applications des Gaz** were outstandingly firm.

Marked lower, however, were **Sade, Mumm, Saupiquet, Nouvelles Galeries, Nobel-Bozel** and **Penarroya**.

Germany

Bourse prices closed mixed to lower amid market rumours that the Bundesbank Central Council meeting today will decide on a minimum reserves increase.

Conti-Gummi shed DM 3 following an interim report forecasting lower earnings for the year.

Krupp receded DM 5, **Sud Zucker** DM 4.50 and **Demag** DM 2.50, but **Siemens**, in Electricals, rose DM 3.30, while **KHD**, in Engineerings, improved DM 4.50, and **Mercedes**, in Motors, gained DM 1.80.

Trading on the Domestic Bond market was also cautious ahead of the Central Council meeting, and Public Authority issues recorded further declines extending to 65 pfennings. The Regulating Authorities bought a nominal DM 38.5m of paper, compared with purchase of DM 18.9m on Tuesday. Mark Foreign Loans, however, held steady.

Australia

The recent downward trend continued, with currency uncertainties, the weakness on Wall Street and fears that the Australian Government will not be able to make good its promise of an 8.5 per cent long-term bond rate all playing a part in the market's troubles.

Base Metals lost ground, including **MIM**, which declined 9 cents to A\$2.36 despite reporting on Tuesday a 36 per cent jump in first-quarter profits.

CRA, already under pressure because of trader disappointment with the Ashton diamond venture report, came in for more selling and receded 15 cents to A\$3.45 on news that its subsidiary, **Hamersley**, had taken a sharp earnings setback in the third-quarter. **Hamersley**, however, picked up a cent to A\$2.55.

Central Norseman provided one of the few bright spots among Minings, rising 40 cents to A\$14.00 on the strength of the Gold price.

Some Uranium issues also improved, reflecting the Government's intention to renew its efforts to reach agreement on the Ranger project with the Northern Land Council. **EZ Industries**, A\$3.20 and **Queensland Mines**, also A\$3.20, gained 5 cents apiece, but **Pancontinental** shed 20 cents to A\$12.10.

Building material stocks lost further ground, and Property Developers were also weak but with the notable exception of **Stocks and Holdings**, which advanced 20 cents to A\$3.79.

BHP eased 4 cents more to A\$8.46 and **CSR** were another 8 cents lower at A\$3.32.

Among Banks, **ANZ** retreated 8 cents to A\$3.80 and **BNS Wales** came back a further 6 cents to A\$7.60.

Hong Kong

Shares remained in easier vein in slow trading with the Hang Seng index losing 3.32 more to 033.03.

Jardine Matheson shed 40 cents more to HK\$17.10, still on disappointing first-half results. **Hongkong Bank** declined 30 cents to HK\$20, **Hong Kong Land** 20 cents to HK\$11.50 and **Swire Pacific** 10 cents to HK\$10.20, while **Hutchison Whampoa** and **Wheelock** lost 5 cents apiece to HK\$6.20 and HK\$3.325 respectively.

Cheung Kong receded 30 cents to HK\$13.30. **Hutchison Properties** eased 10 cents to HK\$11.30 following interim results, but **Hong Kong Wharf** picked up 25 cents to HK\$33.75.

Johannesburg

Markets were quietly easier on balance due to uncertainty ahead of a statement expected later in the day on the outcome of talks between South Africa and the five Western powers concerning South West Africa.

Golds generally turned softer after a harder opening trend. Mining Financials shadowed gold producers, with **Anglos** losing 10 cents to R6.90.

Diamond shares, **De Beers** declined 15 cents to R7.85, while **Anamint** lost R2.00 to R79.50.

Antimony stock **Consolidated Murchison** fell 35 cents to R4.90 on quarterly results.

Switzerland

Market recovered a little of its recently lost ground, although activity was at a low ebb.

Ciba Geigy picked up 15 to SwFr 940 and **Union Bank** 45 to SwFr 3,030.

Domestic and Foreign Bonds were quietly steady.

Brussels

The Belgian Government crisis, recent Wall Street weakness and persistent monetary unrest caused stocks to mainly retreat in a moderate business.

Hainaut-Sambre fell 36 to BFr 742 in Steels, while **Unerg** shed 15 to BFr 1,305 in Utilities and **Gevaert** declined 30 to BFr 1,312 in Chemicals. **Societe Generale** lost 20 to BFr 2,030 while Oils had **Petrofina** down 35 at BFr 3,295. However, in firmer Non-ferrous Metals, **Asturienne** gained 16 to BFr 806 and **Vieille Montagne** 25 to BFr 2,280.

Amsterdam

Still influenced by the Wall Street trend and the dollar's weakness, shares generally softened afresh.

Among Dutch Internationals, **Unilever** and **Royal Dutch** lost Fl 0.90 and Fl 1.00 respectively.

State Loans were very weak, with losses ranging to Fl 1.50.

NOTES: [illegible]

NEW YORK

Stock	Oct. 17	Oct. 16	Stock	Oct. 17	Oct. 16	Stock	Oct. 17	Oct. 16	Stock	Oct. 17	Oct. 16	Stock	Oct. 17	Oct. 16
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Bid. ‡ Asked. § Traded. ‖ New stock.

CANADA

Stock	Oct. 17	Oct. 16
[illegible]	[illegible]	[illegible]

Indices

NEW YORK—DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL

[illegible]

TORONTO

[illegible]

JOHANNESBURG

[illegible]

TUESDAY'S ACTIVE STOCKS

[illegible]

GERMANY

[illegible]

TOKYO

[illegible]

AUSTRALIA

[illegible]

BRAZIL

[illegible]

OSLO

[illegible]

JOHANNESBURG

[illegible]

AMSTERDAM

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

PARIS

[illegible]

SWITZERLAND

[illegible]

COPENHAGEN

[illegible]

MILAN

[illegible]

VIENNA

[illegible]

SPAIN

[illegible]

STOCKHOLM

[illegible]

EUROPEAN OPTIONS EXCHANGE

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Apr. Vol.	Apr. Last	Stock
ABN	F.380	—	—	2	7.50	—	—	F.366
AKZ	F.27.50	2	3.50	—	—	—	—	F.31.10
AKZ	F.30	58	1.10	—	—	—	—	,,
AKZ	F.32.50	—	—	37	2.30	—	—	,,
AKZ	F.35	—	—	10	1	1	2.30	,,
ARB	F.73.90	—	—	—	—	3	8	F.75.60
EK	\$60	11	2¼	4	5	10	7	\$61.78
EK	\$70	—	—	50	1	—	—	
GM	\$60	2	3¼	1	4⅛	1	4¾	\$63¼
HO	F.37.50	12	2.10	—	—	—	—	F.39.60
HO	F.45	—	—	—	—	10	2.60	,,
IBM	\$260	—	—	10	25½	—	—	\$277¾
IBM	\$280	17	2¼	7	13⅛	5	19¼	,,
IBM	\$300	—	—	14	5	10	10¾	,,
KLM	F.142.90	11	16.50	—	—	—	—	F.159.50
KLM	F.150	—	—	4	17.50	—	—	,,
KLM	F.152.40	6	7.20	1	16.50	—	—	,,
KLM	F.160	16	2	23	11.50	—	—	,,
KLM	F.161.90	34	1.30	12	11.50	—	—	,,
KLM	F.170	4	0.10	2	9.20	14	13	,,
KLM	F.171.40	—	—	11	8	—	—	,,
KLM	F.181	—	—	2	5	—	—	,,
KLM	F.190.50	—	—	3	3.10	—	—	,,
NN	F.98.90	4	10.20	6	12.50	—	—	F.108.10
NN	F.108.90	4	0.50	—	—	—	—	,,
NN	F.110	—	—	—	—	5	7.50	,,
NN	F.118.90	—	—	5	2.50	—	—	,,
NN	F.120	—	—	—	—	2	4.80	,,
PHI	F.22.50	10	3.70	10	4.40	—	—	F.26.20
PHI	F.25	119	1.10	22	2.50	8	3.90	,,
PHI	F.27.50	—	—	110	1.30	4	2.50	,,
PHI	F.30	—	—	108	0.60	94	1.40	,,
PRD	\$40	1	9	—	—	—	—	\$49¼
PRD	\$45	3	4½	—	—	—	—	,,
PRD	\$50	5	½	—	—	—	—	,,
RD	F.130	10	0.50	66	4.20	4	7	F.128.30
RD	F.140	—	—	11	1.40	24	2.60	,,
T	\$65	—	—	2	5	—	—	\$65
UNI	F.120	—	—	3	5	6	7	F.123.10
UNI	F.130	—	—	—	—	1	3.30	,,
		Nov.		Feb.		May		
CA	\$70	29	2½	—	—	2	6⅞	\$64½
SLB	\$100	—	—	—	—	1	4½	\$88½

TOTAL VOLUME IN CONTRACTS 1099

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hill Samuel	§10 %
Allied Irish Banks Ltd.	10 %	C. Hoare & Co.	†10 %
American Express Bk.	10 %	Julian S. Hodge	11 %
Amro Bank	10 %	Hongkong & Shanghai	10 %
A P Bank Ltd.	10 %	Industrial Bk. of Scot.	10 %
Henry Ansbacher	10 %	Keyser Ullmann	10 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	12 %
Bank of Credit & Cmce.	10 %	Lloyds Bank	10 %
Bank of Cyprus	10 %	London Mercantile	10 %
Bank of N.S.W.	10 %	Edward Manson & Co.	11½ %
Banque Belge Ltd.	10 %	Midland Bank	10 %
Banque du Rhone	10½ %	■ Samuel Montagu	10 %
Barclays Bank	10 %	■ Morgan Grenfell	10 %
Barnett Christie Ltd.	11 %	National Westminster	10 %
Bremar Holdings Ltd.	11 %	Norwich General Trust	10 %
Brit. Bank of Mid. East	10 %	P. S. Refson & Co.	10 %
■ Brown Shipley	10 %	Rossminster	10 %
Canada Perm't Trust	10 %	Royal Bk. Canada Trust	10 %
Cayzer Ltd.	10 %	Schlesinger Limited	10 %
Cedar Holdings	10½ %	E. S. Schwab	11½ %
■ Charterhouse Japhet	10 %	Security Trust Co. Ltd.	11 %
Choulartons	10 %	Shenley Trust	11 %
C. E. Coates	10 %	Standard Chartered	10 %
Consolidated Credits	10 %	Trade Dev. Bank	10 %
Co-operative Bank	*10 %	Trustee Savings Bank	10 %
Corinthian Securities	10 %	Twentieth Century Bk.	11 %
Credit Lyonnais	10 %	United Bank of Kuwait	10 %
Duncan Lawrie	10 %	Whiteaway Laidlaw	10½ %
The Cyprus Popular Bk.	10 %	Williams & Glyn's	10 %
Eagil Trust	10 %	Yorkshire Bank	10 %
English Transcont.	11 %		
First Nat. Fin. Corp.	11½ %		
First Nat. Secs. Ltd.	11 %		
■ Antony Gibbs	10 %		
Greyhound Guaranty	10 %		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		
■ Hambros Bank	10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%, 1-month deposits 7½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7¼%, and over £25,000 7½%.
‡ Call deposits over £1,000 7%.
§ Demand deposits 7½%.

FARMING AND RAW MATERIALS

Nickel futures plan attacked

BY JOHN EDWARDS, COMMODITIES EDITOR

OPPOSITION TO the planned introduction of a nickel futures market by the London Metal Exchange is building up, according to industry sources who are hoping that the Government may be persuaded to intervene.

International Nickel, the world's biggest producer, re-affirmed that it is strongly opposed to nickel being traded on the Metal Exchange and claimed the majority of nickel consumers share the same view.

Inco said the introduction of speculative buying and selling would increase price volatility and cause major difficulties to both consumers and producers faced with long-term investment decisions.

The decision to publicise their opposition to the proposed futures market has been triggered off by concern that the Government may not appreciate the strength of opposition from the industry.

It is understood that the British Steel Corporation, British Independent Steel Producers and Metal Finishing Suppliers, among other nickel users, have urged the Department of Industry not to allow the market to go ahead.

They are worried that without making their voices heard, the Government may take the same view as with aluminium and allow the market to be launched despite industry opposition.

Fundamentally, the fear is that the introduction of a futures market will create instability with much greater volatility in prices which will discourage investment and undermine future growth in what is a capital intensive industry.

But it is also being suggested that the Government should bear in mind the important strategic role of nickel in defence and ancillary industries.

It is argued that the nickel industry in the western world could be severely weakened by low-price supplies on the London Metal Exchange coming from Communist bloc countries, notably the Soviet Union and Cuba, whose main concern is to obtain foreign currency.

It is noted that the proposed contract specification would be in lots of six tonnes—the delivery size used by the Russians.

John Becker, chairman of the LME sub-committee studying the proposed nickel contract, said no starting date had yet been decided.

However he did not see why producers should get "hot under the collar" about the plan merely to regularise an existing alternative market.

The producers had acknowledged there was a "free market" outside their control. It was growing in importance with the entry of new suppliers into the market and it made sense for it to be better established with the finance and hedging facilities that could be provided by the Metal Exchange.

With export business in particular it was important for buyers to be able to obtain their raw material on a competitive cost basis.

Mr. Becker pointed out that International Nickel had been forced to stop publishing its official producer price because of the severe competition in the market that had resulted from the entry of newcomers at a time of considerable over-supply.

The producer price system could work in a well disciplined market with only a few participants. But that was not the case these days.

It was a free-for-all and there were now too many newcomers in the industry to allow a return to the old pricing system.

He stressed there would be no compulsion for either consumers or producers to use the new market. It was simply an alternative.

Milk price rise disappoints dairies

BY OUR COMMODITIES STAFF

THE 1p-a-pint increase in the retail price of milk scheduled for November 5 has disappointed the Dairy Trade Federation. It would have preferred a smaller price increase earlier in the year and feels that the rise is too big and too late.

Mr. Ben Davies, president of the federation, said yesterday: "In future we shall have to do better in persuading the Ministry of the point of view which we think is the right one and which our customers find to be more acceptable."

The federation is concerned that the price rise could lead to a further decline in sales. Following the last increase of 1p a pint in January, sales of liquid milk promptly fell by 2 per cent.

Mr. Davies warned the Government against raising the liquid milk price too high and widening the gap between drinking milk and the return on milk sold for butter and cheese making.

At present the premium for liquid milk over its manufacturing counterpart is worth 11½p a gallon. Mr. Davies urged the Government to work towards closing this gap by raising the manufacturing price.

The way to do this, he suggested, was to devalue the "green pound"—the special agricultural exchange rate for sterling against the EEC's unit of account.

Not to devalue was to damage the industry and its ability to provide jobs.

"There is a 30 per cent gap between the Brussels pound and our pound. At 10 per cent a year it would still take three years to reach parity. We had better start soon."

He also found worrying the possibility of New Zealand regaining access to the UK market for its cheese "through the back door of the Multilateral Trade Negotiations in Geneva."

Imports from New Zealand were stopped last year, although distributors still claim to have sufficient supplies to keep the New Zealand name on the supermarket shelves until next March.

Hopes are still high in Wellington that the 15,000-tonnes a year quota may be reinstated.

"We have always taken the view that there were other markets which New Zealand could develop for her dairy industry, which would avoid putting our own in pawn," Mr. Davies commented.

He was happy to hear reports that New Zealand had managed to strike a bargain allowing it increased access for dairy produce to the Japanese market.

"I congratulate our friends most warmly," he said. "If they have solved their problem I am sure they won't want to continue contributing to ours."

Dr. Gavin Strang, Parliamentary Secretary at the Ministry of Agriculture, said that the Government was aware of the importance to the New Zealanders of the British dairy market.

He believed that if any arrangement were made for cheese it would not be to the disadvantage of the British dairy industry.

John Cherrington, Agriculture Correspondent writes. The National Farmers' Union is exploring means of controlling the Community's milk and other surpluses, Sir Henry Plumb, union president, said in London yesterday. So far the only suggestion had been for some sort of Community standard quantity — or quota — for milk so that those countries producing more than they consumed should suffer the consequences of reduced support prices.

Sir Henry was vague about the mechanics of this idea, but insisted that British farmers, who produced only 60 per cent of UK needs, should not have to suffer any output restraints as long as subsidised exports from other surplus-producing countries were allowed to come in.

He denied that his suggestion was tantamount to saying that there should be some form of national quota for individual countries. To any logical mind, however, Sir Henry's protestations underline the fact that some form of price restriction is on the way and that the only fair way to achieve this is through some degree of national responsibility.

Sir Henry was speaking at the launching of a National Farmers' Union booklet, "A Time to Sow," in which the familiar argument for the expansion of British farm output is presented yet again.

Europe aids Guyanese forest timber project

BY OUR OWN CORRESPONDENT GEORGETOWN, Oct. 18.

AN AMBITIOUS forestry development scheme designed to boost timber output by 70 per cent and the industry's export earnings by £2m annually by 1981 has received a sizeable soft loan from the Commission of the European Communities.

An announcement here said the Commission had approved a loan of 5m European units of account (about £3m) repayable over 40 years with 10 years grace period and one per cent per annum interest rate, along with a grant of 450,000 E.U.A. to the Upper Demerara forestry project. The latter is also expecting finance from the European Investment Bank, the World Bank, and the Inter-American Development Bank.

The project has already received 350,000 E.U.A. from the European Development Fund—the channel for the latest assistance. The loan is for the preliminary engineering design for which West Germany's Agrar- und Hydrotechnik was contracted last January.

Sharp fall in lead market

By Our Commodities Editor

LEAD PRICES fell sharply on the London Metal Exchange yesterday after some heavy profit-taking sales.

Cash lead lost £21 to £399 a tonne—about £34 below the 18-month peak price reached a week ago.

There were freer offerings of spot supplies, mainly of scrap lead, which helped relieve the immediate shortage that has been mainly responsible for the recent surge in prices.

This then triggered off speculative selling and accelerated the downward trend.

Tin closed lower, with the cash price losing £50 to £7,740 a tonne. It is believed that fresh arrivals from the Far East are on their way to relieve the shortage in Europe.

Meanwhile, Reuter reported from La Paz that Bolivian miners had rejected a Government pay offer of 7.35 per cent rise. The union's leadership instead declared a state of emergency—the usual way of announcing that strike action is being contemplated.

A strike at Noranda's Gaspe mine and Philips Dodge is domestic copper price increase of 1 cent to 70 cents a pound gave a firm undertone to the copper market.

In Lusaka, Zambian officials yesterday expressed hopes that the plan to re-open the Benguela railway would ease pressure on the southern route used for exports through Rhodesia.

It was pointed out that the Benguela line provided the cheapest coast link for metal output from the Shaba province in Zaire. For the past three years Zaire has been shipping out most of its copper via the southern route.

Walkout hits Alcan smelter

MONTREAL, Oct. 18.

ALCAN ALUMINIUM said workers at its 465,000 short ton capacity aluminium smelter at Arvida staged an illegal walkout this morning.

The company said most of Arvida's 5,000 hourly-paid employees walked off the job in sympathy with fellow workers at Alcan's Beauharnois smelter, who have been on strike since Monday.

Alcan said essential services are being maintained by management and some hourly-paid workers, who have defied pickets to report for work.

Reuter

IRISH FISH FARMING

Underwater fortune in Wexford Bay

BY STEWART DALBY IN DUBLIN

WEXFORD BAY seems made for mussels. It is shallow, which is the kind of water in which mussels breed and where they are accessible.

Being shallow, the Harbour is little used as a port and, since it is 40 miles to the nearest good harbour (excluding the ferry point at Rosslare), this means there is relatively little pollution.

The bay is particularly well sheltered so that the mussels do not get swept away in winter storms, as they do in the bays to the north of Dublin. There are also masses of plankton, the tiny micro-organisms on which mussels feed.

The Lett family has been involved in mussel farming and fishing in Wexford for about 100 years, except for a 30-year gap before and after the Second World War. After starting up again in 1964, the five Lett brothers are today the largest mussel farmers and fishermen in Ireland. And the prospects are that over the next few years the size of their business could easily double.

"If you got the best design consultants in the world, they could not make a better harbour from our point of view," said Richard, the middle of the five brothers, as he looked out over the clear waters of the bay.

There are probably about 500 to 1,000 tonnes of mussels bred naturally in Wexford Bay each year. The farming process, however, really starts with boats going up to around Howth and Skerries, north of Dublin, from November onwards to pick up the young seed mussels.

Over the summer the mussel spawn would have settled on the shallow banks off these points and produced seed mussels about ¼ inch to ½ inch long. These are scooped up by dredgers and transplanted in the shallow beds around Wexford Bay.

In six to nine months they grow into fully fledged mussels, when they are again dredged up and dumped in sacks on the quay for transport to the Lett Brothers' factory.

The brothers started to revive the business in 1964 by buying five small dredgers which they pretty quickly sold off to local fishermen, who paid them from the profits they made from their subsequent mussel fishing. By 1968 the Letts were in a position to build a factory and processing plant at a cost of £27,000.

Soon after, the brothers commissioned a large, 76-foot self-discharging dredger from the Netherlands. This made life a lot easier, because it meant that the young seed mussels could be laid quickly and more precisely around Wexford Bay in a way that would facilitate easy fishing once they had matured.

Grades

Now the factory has a throughput of about 3,000 tonnes a year. The factory cleans, sorts and grades the mussels and then either quick freezes them individually or marinates them in citric acid.

As with other forms of fishing in Ireland, most of the mussels are sent abroad either by ferry or by air from Dublin. The main markets are the Netherlands and Germany. About 95 per cent of the mussels are exported.

The company also fishes for prawns north of Dublin and sends these abroad too, after freezing them at Wexford. But mussels are far and away the biggest part of the business, accounting for 80 per cent of sales.

The company has a turnover of about £400,000 and, although Richard Lett declined to say how much profit the company was making, he admitted that, with tax relief given to exporting companies, it was not far off 10 per cent return on turnover.

This is after a wages bill which includes some 24 workers at the factory. Brothers Johnny and George run the dredging work and also handle the catch from the 12 boats which work for the company on a sort of sub-contract basis.

Scope

The family policy is never to refuse mussels from the boats, so they often find themselves working 11 or 12 hours a day to get all the shellfish on their way.

The company employs a sales director full-time in London and there is little doubt that, providing the Letts can move the produce quickly enough, there is great scope for expansion.

The Letts have received help from Ireland's Industrial Development Authority and expect further aid with their projected new £170,000 factory.

Richard Lett feels there will be no problem keeping the factory fully occupied. He quoted a recent Government Fisheries Department survey which said that the 20 square miles of Wexford Bay was only about a quarter utilised.

There is no problem getting the small seed mussels down from north of Dublin and there would be no difficulty in dredging the mussels up from the bay. Before they embark on their big expansion, however, the Letts need their new factory.

Once they have that—hopefully in the early 1980s—Richard Lett sees no difficulty in achieving a turnover of £1m. "Oh yes, good profits. We'll be a big business then, won't we."

Lower quality coffee move

RIO DE JANEIRO, Oct. 18.

THE Brazilian Coffee Institute, said that in future lower-quality green coffee, up to and including types 7/8 free of riozone taste, can be shipped through Paranagua, instead of only type six and better as before.

The ruling also applies to the less important coffee ports of Salvador and Recife, the institute said.

Trade sources said the move was apparently to stimulate coffee shipments from Paranagua, where port movements have fallen off sharply because of the smaller Parana crop since the 1975 frost.

Reuter

EEC rejects sugar bids

By John Edwards

THE EEC Commission yesterday rejected all trade offers for sugar export rebates at its weekly export tenders. It is understood this was due to delays in fixing new monetary compensatory amounts following the D-Mark's revaluation.

The new German MCA rises from 7.2 to 10.8 per cent and Benelux from 1.4 to 3.3 per cent. These apply immediately.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Easier on balance on the London Metal exchange. Forward metal moved ahead to £774 on the pre-market influenced by the strike at Noranda coupled with the continuing buoyancy of the bullion price. However, profit-taking caused a downturn to £771.5 on the morning kerb and this trend continued into the afternoon where forward metal fell afresh to close at £767 on the late kerb. Turnover 12,730 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £751, three months £774, 73.5, 74, 72.5, 72, 71.5, 72, 72.5. Cathodes cash £759.5, three months £761, 60.5. Kerb: Wirebars three months £773, 72.5. Afternoon: Wirebars three months £771, 70, 70.5, 70, 69.5, 69, 68.5. Kerb: Wirebars three months £768, 67, 66.5, 67, 66, 66.5, 67, 67.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	751.5	+3.75	747.8	—3
3 months	772.5-3	+4	768.5-9	—2
Settlem't	751.5	+3.5	—	.....
Cathodes				
Cash	758.5-40.5	+5.25	755.5-7	—1
3 months	761-.5	—5	757-8	—1.25
Settlem't	740.5	+5.5	—	.....
U.S. Prod.	625	.....	*69-71.025	.....

TIN—Barely changed. Forward metal dipped to £7,500 on the pre-market owing to modest profit-taking. However, the market rallied towards the end of the morning kerb and in the afternoon as trade buying lifted forward material to a close of £7,350 on the late kerb. Turnover 2,390 tonnes.

Morning: Standard, cash £7,750, 40, three months £7,540, 50, 45, 30, 40, 45, 50, 55, 60. Kerb: Standard, three months £7,550. Afternoon: Standard, three months £7,540, 30, 55, 50, 54. Kerb: Standard, three months £5,750, 55, 60, 65, 70, 75, 80, 90.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7750-40	—120	7731-50	—58
3 months	7575-90	—17.5	7570-80	—10
Settlem't	7740	—120	—	.....
Standard				
Cash	7735-40	—120	7730-50	—50
3 months	7555-60	—15	7550-5	—12.5
Settlem't	774	—120	—	.....
Straits E.	151980	—2	—	.....
New York	—	.....		.....

LEAD—Sharply lower throughout the day with heavy selling narrowing the backwardation £15 to £13 at one point. Forward metal opened at £399 and fell away to the day's low of £382.5 on the late kerb prior to closing at £384.5. Turnover 4,800 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	419-10	—8	388.5-8.5	—21
3 months	395-6	—2.25	384.5-5.5	—20.5
Settlem't	410	—8	—	.....
U.S. Spot	854.5	.....	*60-66	.....

Morning: Cash £410, 409, three months £399, 98, 97, 97.5, 98, 95, 94.5, 93. Kerb: Three months £395, 95.5, 96, 95.5, 94, 95, 94. Afternoon: Three months £389, 85, 86, 87, 88, 89, 89, 87, 86, 87.5, 87, 86, 85.5, 85, 85.5, 86, 85.5, 85. Kerb: Three months £385, 85.5, 85, 85.5, 85, 84.5, 84, 85.

ZINC—Lost ground reflecting the sharp decline in lead. Forward metal opened around £364 but came under selling pressure which left the price a shade above the day's lowest of £356 on the late kerb. Turnover 4,050 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	350.5	—5.5	345-6	—10
3 months	361.5	—5.25	356.5-7	—9.87
Settlem't	350.5	—3.5	—	.....
Primewest	—	.....	*35.5-4.5	.....

Morning: Three months £364.5, 63, 62, 61, 61.5, 62, 61, 61.5. Kerb: Three months £361.5, 62, 61. Afternoon: Three months £357, 59, 59, 58, 57, 56, 56.5. Kerb: Three months £357.

ALUMINIUM—Easier in very quiet trading with forward metal dipping to £594.5 before recovering to close at £595.5 on the late kerb. Turnover 1,450 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Spot	—	.....	—	.....
3 months	596.5-7	—.5	594.5-5	—1.75

Morning: Three months £597, 96. Afternoon: Three months £595, 94.5, 95. Kerb: Three months 594.5, 95, 97, 96, 95.5.

* Cents per pound. † $M per picul. ‡ On previous unofficial close.

SILVER

Silver was fixed 0.95p higher in the London bullion market yesterday at 299.80p. U.S. cent equivalents of the fixing levels were 598.9c, up 2.1c; three-month 609.20c, up 1.9c; six-month 620.7c, up 2.2c; 12-month 645.4c, up 2.5c. The metal opened at 298½-299½p (595½-597c) and closed at 299-300p (597-599½c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	299.80p	+0.95	298.65p	—1.25
3 months	307.50p	+0.95	306.40p	—1.15
6 months	316.00p	+1.15	—	.....
12 months	332.80p	+1.10	—	.....

LME—Turnover 295 (288) lots of 10,000 ozs. Morning: Three months 308.2, 8.5, 308, 8.2, 8.1, 8.3. Afternoon: Three months 307.1, 306.5, 6.4. Kerbs: Three months 306.5.

COCOA

After failing to push through the recent "lows," short-covering forced prices higher at the close, Gill and Duffus reported.

COCOA	Yesterday's Close	+ or —	Business Done
Dec.	1517.0-19.0	+39.5	1518.0-80.0
March	1 46. .44.0	+38.0	1 45. -14.0
May	1556.0-58.0	+24.0	1 60. -35.0
July	1 66. 66.0	+27.5	1 65.0-19.0
Sept.	1 68.0-61.0	+23.5	1 63.0-40.0
Dec.	1 29.0-24	+14.0	1 28. -15.0
March	1 65 19.5 5	+1.0	

Sales: 5,251 (3,112) lots of 10 tonnes.

International Cocoa Organisation. Daily price for Oct. 17: 166.58 (166.83). Indicator prices for Oct. 18: 15-day average 169.10 (169.31); 22-day average 170.37 (170.59). (U.S. cents per lb.)

COFFEE

ROBUSTAS declined to last week's "lows" in the morning, but heavy dealer buying ... day.

[illegible]

GRAINS

[illegible]

RUBBER

EASIER opening on the London physical market. [illegible]

COTTON

LIVERPOOL COTTON—Spot and shipment sales ... 1,245 tonnes. [illegible]

SOYABEAN MEAL

The market opened £1.50 lower and traded another £1.00 down before profit-taking pared losses to leave prices steady ...

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible] ... Spanish: Per box 40 60's 3.60-3.50. Walnuts—French: Per pound Grenobles 0.40; Italian: Wet 0.40; Californian: 0.55; Chinese: 0.30. Brazils—LWM per pound 0.35. Chestnuts—Italian: Per pound 0.20-0.30; French: 0.25. Cucumbers—Canary: 10 16's 2.40-2.70.

English produce: Potatoes—Per 25 kilos 1.10-1.50. Lettuce—Per 12 round 0.50. Cos 1.00. Webbs 1.20. Cucumbers—Per tray 12/24's new crop 2.40-2.60. Mushrooms—Per pound 0.50-0.55. Apples—Per pound Bramley 0.05-0.09. Lord Derby 0.04-0.06. Cox's Orange Pippin 0.05-0.12. Worcester Pearmain 0.05-0.07. Russets 0.07-0.10. Pears—Conference 0.06-0.11. Plums—Per pound Bush 0.09. Marjorie's Seedling 0.17. Damsons—Per pound 0.15. Tomatoes—Per 12-lb English 1.20-1.50. Cabbages—Per crate 0.80-0.90. Celery—Per head 0.07. Cauliflowers—Per 12 Lincoln 1.00-1.30. Beetroot—Per 28-lb 0.60-0.70. Carrots—Per 28-lb 0.50-0.70. Capsicums—Per pound 0.25-0.30. Courgettes—Per pound 0.18. Onions—Per bag 1.70-1.80. Swedes—Per 28-lb 0.50. Turnips—Per 28-lb 0.90. Parsnips—Per 28-lb 0.90-1.00. Sprouts—Per pound 0.05-0.06. Cobnuts—Per pound Kent 0.40-0.45. Corn Cobs—Each 0.04-0.05.

U.S. markets' election plans

NEW YORK, Oct. 18.

THE NEW YORK Mercantile Exchange, the Coffee and Sugar Exchange and the Cotton Exchange and Citrus Associates Inc. will close for election day, November 7, exchange spokesmen said. The New York Cocoa Exchange will remain open, however.

Despite past policy of honouring the holiday only in Presidential election years, the Commodity Exchange is also considering closing, and a decision is expected later this week.

None of the New York exchanges has made any special arrangements for Veteran's Day, which falls on Saturday, November 11.

The Chicago Board of Trade and Chicago Mercantile Exchange said they will close on November 7. However, the Chicago Board Options Exchange will remain open.

Reuter

PRICE CHANGES

Price in tonnes unless otherwise stated.

[illegible]

*Nominal. † New crop. ‡ Unquoted. m June-Aug. ... Nov. ‡ Nov.-Dec. ... ‡ Indicator price.

INDICES

FINANCIAL TIMES

Oct. 17	Oct. 16	Month ago	Year ago
265.09	264.0	[illegible]	[illegible]

(Base: July 1, 1952=100)

REUTERS

Oct. 18	Oct. 17	Month ago	Year ago
1518.2	1514.3	1475.9	1463.3

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Oct. 17	Oct. 16	Month ago	Year ago
Spot	384.07	[illegible]	[illegible]	[illegible]
Futures	382.42	[illegible]	[illegible]	[illegible]

(Average 1924-25-26=100)

MOODY'S

Moody's	Oct. 17	Oct. 16	Month ago	Year ago
Spie Commdty	[illegible]	[illegible]	[illegible]	[illegible]

(December 31, 1931=100)

HIDES—Leeds. ... kilos 61.0p. ... 78.4p. Light ...

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod ... £2.60-£3.40; large haddock ... medium haddock ... £3.00-£3.80; large plaice £3.30-£4.... £3.70; large skinned dogfish ... £7.00, medium ... £2.40-£2.70; redfish ... £2.30.

U.S. Markets

NEW YORK, Oct. 17.

PRECIOUS metals closed higher with gold recording new life of contract highs on renewed speculative buying following the continuing weakness of the dollar. Copper closed steady on mixed trade and Commission House activity while sugar continued to ease on carryover speculative liquidation following yesterday's limit decline. Cocoa reversed its recent downward trend on Commission House shortcoverings and trade arbitrage buying, reports Bache.

Cocoa—Dec. 163.35 (162.90), March 164.75 (163.10), May 163.50, July 163.10, Sept. 162.00, Dec. 156.30. Sales 1,024.

Coffee—Dec. 151.30-60 (153.70), March 143.00-50 (146.02), May 138.75, July 134.75, Sept. 133.75, Dec. 125.00-132.00, March 124.00-130.00. Sales, 616.

Copper—Oct. 66.90 (65.90), Nov. 67.20 (67.20), May 70.50, July 71.45, Sept. 72.25, Dec. 73.30, Jan. 73.70, March 74.45, May 75.25, July 76.00. Sales, 6,000 lots.

Cotton—No. 2: Dec. 68.01-68.10 (67.37), March 70.40-70.47 (69.72), May 71.05-71.65, July 71.90, Oct. 67.60-67.80, Dec. 66.90, March 67.70-68.00. Sales, 5,050 bales.

*Gold—Oct. 226.70 (227.10), Nov. 229.40 (228.00), Dec. 231.10, Feb. 234.50, April 238.50, June 242.30, Aug. 246.10, Oct. 249.90, Dec. 253.90, Feb. 257.90, April 262.10, June 266.30, Aug. 270.50. Sales, 30,000.

This edition went to press before the latest U.S. commodity prices were available.

†Lard—Chicago loose 24.30 (24.37). NY prime steam 26.00 (traded).

‡Maize—Dec. 228½-229½ (232½), March 239½-239½ (242½), May 246½-246½, July 250-250½, Sept. 253½-253, Dec. 259.

§Platinum—Jan. 337.90-338.80 (331.40), April 338.50-340.00 (332.50), July 339.50-341.00, Oct. 344.30-344.50, Jan. 345.00, April ... Sales, 2,411.

[illegible]

STOCK EXCHANGE REPORT

Equities unsettled late by unfounded BOC rumours

30-share index ends 3.9 down at 494.6 but Gilts progress

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct. 2	Oct. 12	Oct. 13	Oct. 24
Oct. 16	Oct. 26	Oct. 27	Nov. 7
Oct. 30	Nov. 9	Nov. 10	Nov. 21

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Leading industrials attempted an extension of Tuesday's technical recovery, but the movement had lost momentum before dealers lowered prices in the last half-hour of official trading following unfounded reports that the talks aimed at solving the BOC pay dispute had broken down.

A paucity of business and the market's underlying sensitivity to the question of wages had earlier been responsible for a drifting tendency, after most leaders had opened a few pence dearer. **Reed International** were among the isolated exceptions, responding to hopes that the sale of its Canadian assets may be completed within the next month or so.

Institutional and other investors appeared to be awaiting possible market influences in today's events which include announcements of the September money supply statistics and Minimum Lending Rate: the Chancellor's speech at the Lord Mayor's banquet could also have a bearing on market sentiment. The decision by the rebel toolmakers at SU Fuel Systems to continue their strike aroused little comment.

A handful of situation stocks and companies reporting trading announcements drew a moderate interest, but the general level of trade diminished further as reflected in the number of bargains marked at 4,219 compared with 4,382 on Tuesday.

Gilt-edged securities were unaffected by pessimism concerning Minimum Lending Rate and responded to actual events in the shape of lower money market rates yesterday. At one stage, operators running bear commitments became distinctly uncomfortable at the shorter end of the market, but overall gains were pared finally to ¼ with the exception of Exchequer 13 per cent 1980, due to be quoted in clean form today.

The longer maturities followed in the wake of the shorts but business, apart from interest in the near-short tap Exchequer 10 per cent 1983, was sparse. Nevertheless, gains of ½ were established and the F.T. Government Securities Index recovered 0.2 more to 69.23. Corporations were neglected and closed with scattered losses extending to ¼.

Quieter conditions in the investment currency market saw the premium drift down to a day's low of 76 per cent before rallying to 78½ following the appearance of institutional buyers and closing at 77½ per cent for a net rise of ½. Yesterday's SE conversion factor was 0.7930 (0.7369).

In common with the equity market, interest in Trade Options was minimal and only 407 contracts were completed compared with the previous day's 647.

Interest in the banking sector remained at a low ebb. The major clearers drifted to close a shade easier, where changed. In Discounts, **Jessel Toynbee** softened 2 to 60p following the uninspiring interim statement, while **Gerrard and National** held at 175p in front of today's half-year report. In Hire Purchases, **London Scottish Finance** gained 5 to 49p and **Lloyds and Scottish** 2 to 94p.

Breweries hovered around the overnight levels and closed little changed following a light business. **Distillers** moved up to 201p before easing back with the other equity leaders to close a penny easier on balance at 197p.

Buildings failed to establish a decided trend. **Blue Circle** eased 4 to 274p, but **BPB** firmed 3 to 249p. **Richard Costain** touched 242p but ended unchanged on balance at 236p, while **Taylor Woodrow** finished just 2 up on balance at 408p, after 414p. Standing a couple of pence easier at 258p immediately before the interim announcement, **Brown and Jackson** touched 272p on it before closing 8 up on balance at 266p. Satisfactory mid-term profits and the chairman's optimism helped **UBM** add 2 to 75p. **Bambergers** put on 3½ more to 83p, still hoping for a counter-bid from **Montague L. Meyer**, unchanged at 91p, while *Press suggestions of a bid prompted interest in* **Royco** which firmed a penny to 45p.

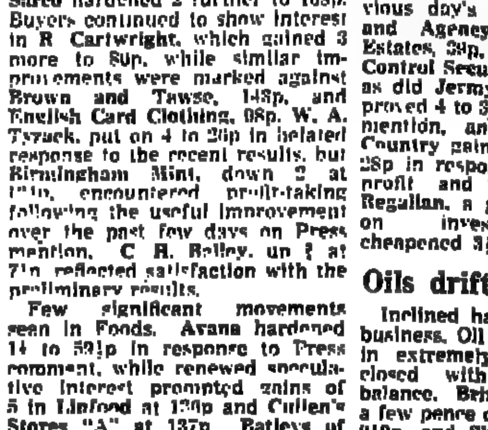
ICI traded narrowly but with an eventual easier bias and lost 4 to 388p. **Farm Feed** made further progress to 75p awaiting the interim statement, but ended 2 cheaper on balance at 70p after the news. **Alginate** gave up 5 at 243p ahead of today's interim report.

Mid. Educational up

A firm market recently on hopes of another bid following rejections to Pentos and Lonsdale Universal, **Midland Educational** jumped 16 to a 1978 peak of 248p in response to the latest offer of 235½p per share from **Alfred Preedy**; the latter receded to 78p on the news before closing a penny dearer on the day at 84p. Elsewhere in Stores, **Time Products** rose 4 to 202p following the increased interim profits and proposed rights issue, while further small buying in a thin market prompted a rise of 5 more to 132p in **Moss Bros.** Renewed investment demand helped **Bambers** put on 5 to 170p. Favourable comment on the excellent interim statement helped **Marks and Spencer** edge forward to 88p before a late reaction left the close a penny lower on balance at 85p. **British Home**, on the other hand, closed 2 dearer at 212p, after 214p, following the first-half results.

A.B. Electronic continued firmly in Electricals, rising 4 to 134p for a two-day gain of 12. **GEC** contrasted with a reaction of 5 to 318p, while **EMI**, 158p, and **Racal Electronics**, 330p, eased 2 apiece. Overseas issues were noteworthy only for a fall of a point to a 1978 low of £28¾ in **Motorola** following the third-quarter figures.

Engineering leaders held steady to firm until the latter part of the day when the tone became decidedly dull. **John Brown** gave up 4 to 448p, while **Hawker Siddeley** closed 2 lower at 236p awaiting to-day's interim results. **GKN** improved to 270p before closing unaltered at 266p. Elsewhere, investment demand lifted **Babcock and Wilcox** 6 to 157p, while fresh demand for **Mining Supplies**, up 5 more at 113p, was accompanied by take-over talk. Still reflecting satisfaction with the half-yearly results, **Spirax-Sarco** hardened 2 further to 108p. Buyers continued to show interest in **R. Cartwright**, which gained 3 more to 80p, while similar improvements were marked against **Brown and Tawse**, 148p, and **English Card Clothing**, 98p. **W. A. Tyzack**, put on 4 to 26p in belated response to the recent results, but **Birmingham Mint**, down 2 at 170p, encountered profit-taking following the useful improvement over the past few days on Press mention. **C. H. Bailey**, up 2 at 71p, reflected satisfaction with the preliminary results.



Few significant movements seen in Foods. **Avana** hardened 1½ to 59½p in response to Press comment, while renewed speculative interest prompted gains of 5 in **Linfood** at 130p and **Cullen's Stores "A"** at 137p. **Batleys of Yorkshire** continued firmly, rising 5 for a two-day improvement of 8 to 84p.

Reed Int below best

A Press suggestion that the group's Canadian Paper business is likely to be sold off by the end of the year buoyed **Reed International** which touched a 1978 peak of 183p before closing 4 up on balance at 180p. Other miscellaneous industrial leaders turned easier again on wage worries. **Glaxo** fell 8 to 565p and **Beecham** 5 to 688p. Elsewhere, **Marshalls Universal** rose 5 to 149p, after 152p, in response to the interim statement and proposed 20 per cent scrip issue and **Medminster** hardened 2 to 32p following the higher annual earnings. **Ricardo** revived with an improvement of 6 to 236p and **London and Northern** improved 1½ to 37½p; the latter's interim results are due November 8. **Howard Tenens** cheapened 3½ to 27p in reaction to adverse comment, while losses of 10 were seen in **Barlow Rand**, 202p, and **Broken Hill Proprietary**, 675p.

In the Leisure sector, continued speculative activity prompted a gain of 6 in **Management Agency and Music** for a two-day rise of 11½ to 94½p.

The threat of an all-out strike by Vauxhall workers tended to restrain interest in the Motor sectors. **Lucas**, however, provided a bright spot at 315p, up 4, but **Dunlop** drifted lower to close 3 off at 72p. **Zenith Carburetter** fell 3 to 84p on the lower half-yearly profits. Among Garages and Distributors, **H. Perry** eased 3 to 114p, but buyers continued to show interest in **Pennine**, 1½ dearer at 18p.

A. & C. Black put on 16 to 148p, after 150p, following news that **Park Place Investments**, a penny up at 41p, has built up a 10.6 per cent stake. *Following the interim statement,* **Websters Publications** eased 1½ to 37p. In Newspapers, **United** provided the only movement of note at 364p, down 4.

Leading Properties traded indecisively for most of the session and eventually drifted lower. **English** met profit-taking and, at 39p, relinquished 1½ of the previous day's gain of 2½. **Estates and Agency**, 52p, and **Marler Estates**, 28p, both firmed 3, while **Control Securities** added 2 at 40p, as did **Jermyn** at 41p. **Imry** improved 4 to 302p following a Press mention, and **Westminster and Country** gained a like amount to 28p in response to the return to profit and the dividend list. **Regalian**, a good market of late on investment comment, cheapened 3½ to 21p.

Oils drift lower

Inclined harder at the start of business, Oil leaders drifted back in extremely quiet trading and closed with small losses on balance. **British Petroleum** ended a few pence cheaper at 904p, after 910p, and **Shell** finished 4 down at 570p, after 576p. Little of interest developed in secondary issues, but occasional small buying lifted **Hunting Petroleum** 5 to 98p.

Still reflecting disappointment with the terms of the sale of the company's sugar interests to the National Sugar Company, **Jamaica Sugar** eased a penny for a two-day loss of 5 to 12p.

Bishopsgate Property, a firm market of late, eased 1½ to 8½p in otherwise little-changed Investment Trusts. **U.S. Trust Fund** fell 30 to 735p mirroring Wall Street and dollar premium influences, but a small speculative flurry in a restricted market lifted **Camellia Investments** 8 to 316p. In Financials, **Dawnay Day** closed without alteration at 44p, after 45p, despite the sharply increased earnings.

Following Tuesday's improvement of 7 on the interim report, **Furness Withy** rose to 246p before settling a net 2 harder at 243p. Elsewhere in Shippings, small buying in restricted markets lifted **Common Bros.** 6 to 166p and **Graig** 7 to 147p. Elsewhere, the announcement that preliminary talks have begun between Merseyside County Council and **Mersey Docks and Harbour** company about the council's decision to acquire 400 acres of disused dockland created a fair amount of interest in the latter's units which moved up 3½ to a 1978 peak of 37½p.

Occasional movements in the Textile sector were mainly to higher levels. The subject of favourable Pres mention recently, **David Dixon** continued in demand and firmed 3 more to 113p. **Illingworth Morris** were similarly dearer at 34p, while **G. Spencer**, 38p, and **Tricoville**, 88p, put on 2 apiece.

A reasonably firm market of late, South African Industrials succumbed to political uncertainty and dollar-premium influences. **Greatermans A** slipped 15 to 135p, while **Tiger Oats**, 370p, and **O.K. Bazaars**, 370p, lost 20 apiece. **Abercom Investments**, which recently announced capital proposals, fell 6 to 89p.

Golds lose ground

Concern over the political situation in Namibia prompted renewed selling of South African Gold shares. This more than offset the continuing buoyancy of the bullion price, which was finally 50 cents firmer at an all-time high of $228.625 per ounce.

The Gold Mines index relinquished 4.3 to 151.2—its fourth loss in five trading days and its lowest level since May 18.

Initially, share prices wilted following sizeable selling from the Cape. Thereafter they tended to drift on lack of interest until the late trade when modest American buying caused prices to edge above the day's lowest.

Among heavyweight Golds, **Randfontein** dropped £1½ to £30⅝, while losses of ½ were common to **West Driefontein** and **Free State Geduld** at £21½ and £16½ respectively.

South African Financials moved similarly to Golds. **Union Corporation** and **Anglo American Corporation** were both around 12 off at 337p and 284p respectively, while **De Beers** dropped 6 more to 386p.

London-registered Financials also lost ground influenced by the downturn in base-metal prices. Losses of 4 were common to **Rio Tinto-Zinc**, 255p, **Gold Fields**, 174p and **Charter Consolidated**, 148p.

Australians continued to reflect the weakness in overnight Sydney and Melbourne markets. The Rundle oil shale partners were both marked down; **Central Pacific** fell 20 to 430p and **Southern Pacific** 5 to 170p.

On the other hand, optimism over the Roxby Downs copper/uranium prospect lifted **Western Mining** 4 to 143p.

Tins responded to the strength of the Penang market with **Ayer Hitam** another 13 higher at 255p and **Malayan Tin** 10 up at 450p.

FINANCIAL TIMES STOCK INDICES

—	Oct. 18	Oct. 17	Oct. 16	Oct. 13	Oct. 12	Oct. 11	A year ago
Government Secs.	69.25	69.04	68.79	69.06	69.55	68.68	77.48
Fixed Interest	70.95	70.88	70.80	71.42	71.71	71.74	79.08
Industrial	494.6	498.5	494.6	496.2	505.8	504.2	518.6
Gold Mines	151.2	155.5	153.7	160.4	167.1	168.4	[illegible]
Ord. Div. Yield	5.46	5.41	5.44	5.42	5.35	5.36	[illegible]
Earnings Y'ld % (full)*	15.13	15.01	15.08	15.04	14.79	14.83	[illegible]
P/E Ratio (net) (*)	8.74	8.81	8.78	8.81	8.95	8.92	[illegible]
Dealings marked	4,219	4,382	5,133	4,940	4,655	4,852	7,2[illegible]
Equity turnover £m	—	69.81	69.05	90.71	75.96	65.51	90.7[illegible]
Equity bargains total	—	14,998	16,512	16,475	14,155	15,312	16,3[illegible]

10 am 499.8. 11 am 499.2. Noon 499.3. 1 pm 498.6. 2 pm 498.3. 3 pm 497.7.
Latest Index 01-246 8026.
* Based on 52 per cent corporation tax. † Nil=8.51.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (5/1)	68.79 (6/6)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	70.73 (6/6)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.8 (14/8)	130.3 (5/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Oct. 18	Oct. 17
—Daily		
Gilt-Edged	154.4	[illegible]
Industries	141.1	[illegible]
Speculative	43.4	[illegible]
Totals	96.0	[illegible]
—5-day Average		
Gilt-Edged	160.4	[illegible]
Industrials	159.4	[illegible]
Speculative	44.1	[illegible]
Totals	105.7	[illegible]

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct. 10	Oct. 23	Jan. 11	Jan. 23
Oct. 24	Nov. 6	Jan. 25	Feb. 6
Nov. 7	Nov. 20	Feb. 8	Feb. 20

For rate indications see end of Share Information Service

Money was given for the call in Otter Exploration, Grand Metropolitan, Consolidated Gold Fields, Cadbury Schweppes, Spillers, HAT Group, Tesco, English Property and Ferranti. A put was done in Marks and Spencer, while doubles were arranged in English Property, Associated Dairies, Atlas Assets, L. & J. Hyman, Consolidated Plantation Warrants, Premier Consolidated Oil.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns., Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]

LONDON TRADED OPTIONS

[illegible]		

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (48)

BRITISH FUNDS (1)
N.Z. 4pc '76-78

BANKS (2)
Brown Shipley — Lond. & Scot. Fin.

BEERS (1)
Irish Distillers

BUILDINGS (2)
Brown & Jackson — Royco

Finlan (John)

CHEMICALS (1)
Farm Feed

STORES (3)
Midland Educational — Helene of London 12pc Cnv Prf.
Bambers

ELECTRICALS (2)
A.B. Electronic — Scarthorpe

ENGINEERING (6)
Babcock & Wilcox — Mining Supplies
Boulton (Wm.) — Tyzack (W. A.)
Brown & Tawse — Victor Prods.
Cartwright (R.) — Wheway Watson
English Card Clothing

FOODS (2)
Batleys of Yorkshire — Pyke (W. J.)

INDUSTRIALS (7)
Arenson (A.) — Reed Executive
Bodycote Intl. — Reed International
Fothergill & Harvey — Unitlov
Medminster

NEWSPAPERS (1)
Black (A. C.)

PAPER (3)
Chapman (Balham) — Trident
East Lancs. Paper

PROPERTY (6)
Control Securities — Imry Prop.
Country & N. Town — Jermyn Inv.
Dares Ests. — Stock Conversion
Ests. & Agency — Westminster Country

SHIPPING (1)
Mersey Dock Units

TEXTILES (1)
Dixon (David)

TRUSTS (1)
Camellia Inv.

OIL (1)
Hunting Pet.

MINES (1)
Hongkong Tin

NEW LOWS (11)

BRITISH FUNDS (3)
B'ham 9½pc '79-81 — Glasgow 9¼pc '80-82
G L C 12½pc '82

BUILDINGS (1)
Jennings

ELECTRICALS (1)
Motorola

ENGINEERING (1)
Weeks Assoc.

INDUSTRIALS (1)
Hanimex Corp

SOUTH AFRICANS (1)
Unisec

TRUSTS (1)
Iceland (£1)

MINES (2)
Western Areas — Wankie Colliery

LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since December 30, 1977, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Engineering Contractors	+25.16	All-Share Index	+ 6.24
Mining Finance	+22.39	Investment Trusts	+ 5.73
Electricals	+21.09	Property	+ 5.56
Mechanical Engineering	+17.65	Consumer Goods (Non-Durable) Group	+ 5.06
Gold Mines FT	+16.74	Stores	+ 4.75
Capital Goods Group	+14.95	Metal and Metal Forming	+ 4.32
Overseas Traders	+14.92	Tobaccos	+ 4.15
Newspapers and Publishing	+13.42	Food Manufacturing	+ 3.65
Electronics, Radio and TV	+13.07	Entertainment and Catering	+ 2.64
Chemicals	+12.96	Pharmaceutical Products	+ 2.58
Packaging and Paper	+12.04	Household Goods	+ 1.27
Consumer Goods (Durable)	+10.58	Breweries	− 0.36
Toys and Games	+10.30	Insurance Brokers	− 1.86
Wines and Spirits	+10.13	Merchant Banks	− 2.14
Office Equipment	+ 9.24	Banks	− 4.51
Contracting and Construction	+ 9.06	Financial Group	− 4.61
Motors and Distributors	+ 8.95	Insurance (Life)	− [illegible]
Building Materials	+ 8.65	Hire Purchase	− 7.98
Industrial Group	+ 8.53	Discount Houses	− 8.07
500 Share Index	+ 8.20	Shipping	−10.07
Textiles	+ 7.82	Insurance (Composite)	−11.46
Other Groups	+ 7.57		
Oils	+ 6.85		
Food Retailing	+ 6.65		

† Percentage changes based on Tuesday, October 17, 1978 indices.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
BP	£1	9	904	− 2	926	720
Shell Transport	25p	9	570	− 4	602	484
De Beers Defd.	R0.05	8	386	− 6	488	255
HK & Sh'ghai Bk.	HK$2.50	8	290	− 4	360	283
ICI	£1	8	388	− 4	421	323
Babcock & Wilcox	25p	7	157	+ 6	157	107
Beecham	25p	7	688	− 5	743	183
GUS A	25p	7	310	− 4	340	250
Marks & Spencer	25p	7	86	− 1	94	67½
BATs Defd.	25p	6	255	− 3	304	227
Barclays Bank	£1	6	340	− 2	368	296
Boots	25p	6	199	− 3	237	184
GEC	25p	6	318	− 5	340	233
Grand Met.	50p	6	109	− 1	121	87
Turner & Newall	£1	6	173	− 1	209	166

RECENT ISSUES

EQUITIES

[illegible]		

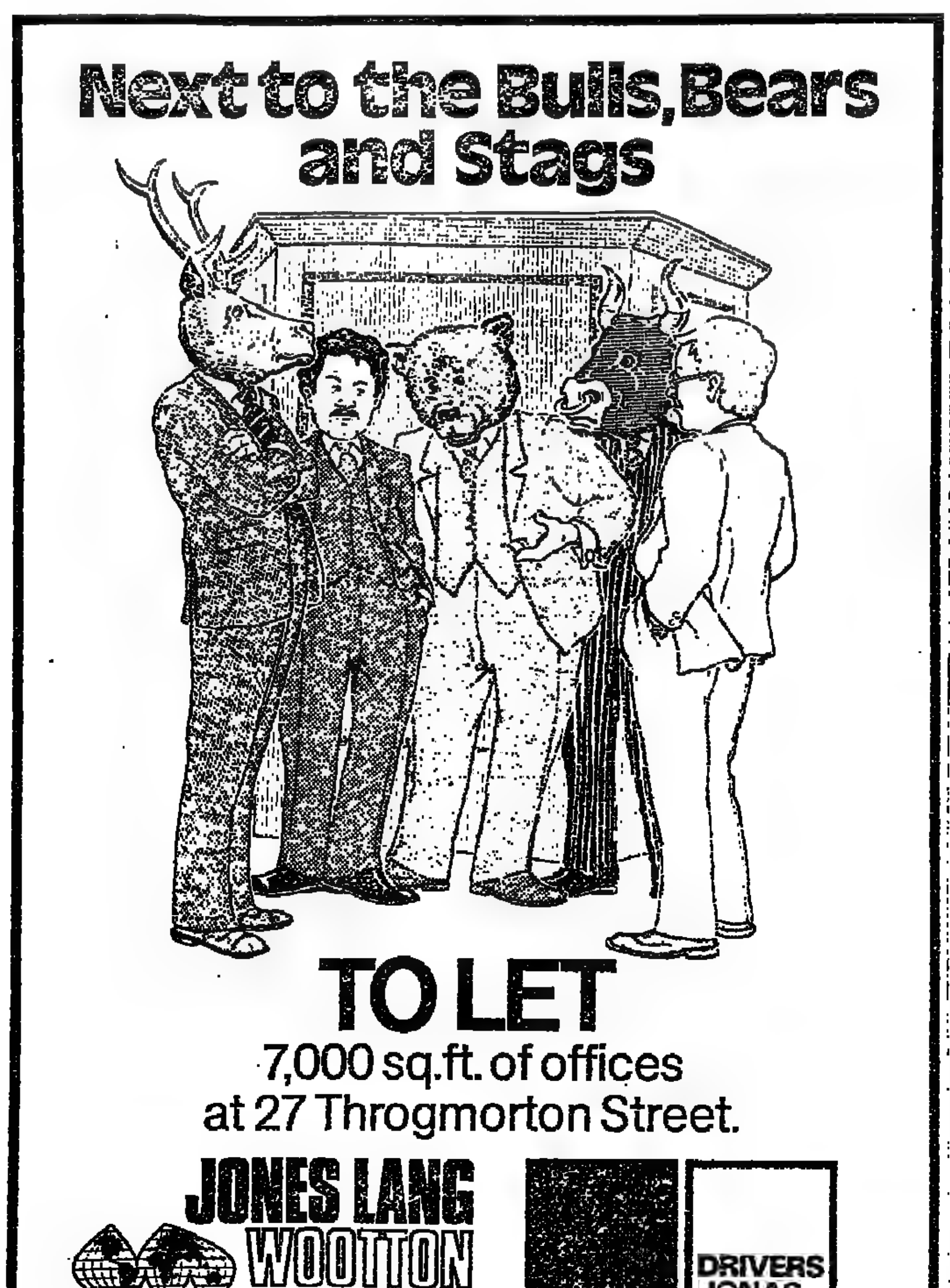
FIXED INTEREST STOCKS

[illegible]		

"RIGHTS" OFFERS

[illegible]		

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. [illegible]



FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., Oct. 18, 1978 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues., Oct. 17 Index No.	Mon., Oct. 16 Index No.	Fri., Oct. 13 Index No.	Thur., Oct. 12 Index No.
1	CAPITAL GOODS (171)	239.84	−0.2	16.12	5.21	8.53	240.21	239.21	241.02	246.05
2	Building Materials (27)	208.87	+0.2	16.83	5.42	8.18	208.50	206.51	208.51	211.96
3	Contracting, Construction (28)	373.56	+0.7	18.57	4.24	7.82	371.01	369.70	374.07	381.66
4	Electricals (14)	552.43	−1.1	13.12	3.35	10.54	558.52	557.95	560.24	578.36
5	Engineering Contractors (14)	379.82	+1.1	17.48	5.73	7.75	375.65	373.55	376.67	382.24
6	Mechanical Engineering (72)	189.07	−0.1	17.53	5.78	7.65	189.32	188.56	190.24	193.15
8	Metals and Metal Forming (16)	167.93	+0.2	15.91	8.48	8.71	167.64	167.01	167.90	170.78
11	CONSUMER GOODS (DURABLE) (53)	214.15	—	16.04	4.96	8.71	214.08	213.42	215.44	218.70
12	Lt. Electronics, Radio, TV (16)	263.09	+0.2	13.99	3.88	10.02	262.68	261.33	264.38	269.31
13	Household Goods (12)	185.12	+0.1	16.09	6.12	8.56	184.96	185.70	187.36	188.40
14	Motors and Distributors (25)	127.77	−0.2	19.45	6.48	7.17	128.02	127.85	128.60	130.18
21	CONSUMER GOODS (NON-DURABLE) (172)	213.37	−0.4	15.58	5.78	8.65	214.14	211.63	213.73	217.78
22	Breweries (14)	228.89	−0.2	14.63	6.20	9.40	229.45	227.05	229.56	233.40
23	Wines and Spirits (6)	277.75	−0.4	15.33	5.18	9.74	278.84	276.57	280.67	287.55
24	Entertainment, Catering (17)	267.19	−0.4	13.60	6.53	10.72	268.14	265.84	267.50	272.62
25	Food Manufacturing (19)	207.97	−0.2	18.61	5.25	7.12	208.30	207.20	208.06	211.96
26	Food Retailing (15)	230.20	+0.5	13.10	4.47	10.63	229.12	226.02	228.20	232.55
32	Newspapers, Publishing (13)	392.27	−0.2	19.49	6.17	7.20	393.01	393.23	395.90	398.53
33	Packaging and Paper (15)	145.60	—	17.69	7.36	7.45	145.62	144.86	146.66	148.51
34	Stores (40)	201.49	−0.8	11.31	4.53	12.85	203.13	198.08	200.09	205.01
35	Textiles (25)	183.90	−0.3	18.11	7.90	7.16	184.44	183.55	184.72	188.22
36	Tobaccos (3)	235.42	−0.4	23.38	7.97	5.06	236.32	236.32	240.39	242.56
37	Toys and Games (6)	111.64	+0.4	20.30	5.75	5.76	111.17	111.34	114.07	116.20
41	OTHER GROUPS (99)	207.64	−0.4	15.11	5.87	8.53	208.44	207.05	208.65	211.46
42	Chemicals (19)	293.36	−0.8	15.67	6.46	8.30	295.69	293.13	294.16	296.71
43	Pharmaceutical Products (7)	266.73	−0.7	10.68	3.88	11.48	268.53	266.68	267.57	269.97
44	Office Equipment (6)	133.90	−0.8	18.15	5.68	6.57	134.96	136.04	135.97	139.95
45	Shipping (10)	423.43	+0.2	14.68	7.20	8.70	422.47	417.48	417.93	423.95
46	Miscellaneous (57)	223.75	+0.2	16.80	6.30	7.92	223.36	221.91	225.82	229.84
49	INDUSTRIAL GROUP (495)	225.68	−0.3	15.63	5.60	8.59	226.33	224.54	226.49	230.53
51	Oils (5)	508.34	−0.4	13.75	3.95	7.90	510.53	511.72	514.30	517.85
59	500 SHARE INDEX	249.33	−0.3	15.35	5.35	8.46	250.09	248.50	250.53	254.58
61	FINANCIAL GROUP (100)	164.33	—	—	5.92	—	164.36	163.08	164.78	166.79
62	Banks (6)	186.56	−0.3	25.06	6.28	5.99	187.28	185.07	186.27	186.59
63	Discount Houses (10)	206.00	−0.3	—	8.40	—	206.55	206.55	207.66	209.14
64	Hire Purchase (5)	155.40	+1.1	15.68	5.30	8.42	153.78	151.98	152.62	155.48
65	Insurance (Life) (10)	130.54	—	—	7.20	—	130.52	128.42	131.45	135.21
66	Insurance (Composite) (7)	121.17	—	—	7.24	—	121.12	119.91	121.32	123.64
67	Insurance Brokers (10)	330.34	+0.5	14.36	5.01	9.96	328.64	327.15	332.80	337.54
68	Merchant Banks (14)	80.81	+0.3	—	6.02	—	80.57	80.35	82.44	83.04
69	Property (31)	258.00	−0.1	3.34	2.85	51.36	258.32	257.66	259.25	262.18
70	Miscellaneous (7)	108.83	+0.3	23.20	7.68	5.58	108.46	108.68	109.15	109.64
71	Investment Trusts (50)	219.46	—	3.17	4.73	31.50	219.56	220.33	222.07	224.15
81	Mining Finance (4)	109.19	−1.6	16.72	6.52	7.29	110.97	109.12	112.28	114.08
91	Overseas Traders (19)	324.03	+0.4	15.04	7.10	8.34	322.85	322.96	324.75	328.46
99	ALL-SHARE INDEX (673)	227.33	−0.3	—	5.48	—	227.92	226.51	228.51	231.97

FIXED INTEREST PRICE INDICES

	British Government	Wed., Oct. 18	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	103.70	+0.09	—	7.60
2	5-15 years	113.60	+0.29	—	7.61
3	Over 15 years	117.02	+0.38	—	12.26
4	Irredeemables	126.67	+0.43	—	9.02
5	All stocks	110.79	+0.21	—	9.35

FIXED INTEREST YIELDS — Br Govt. Av. Gross Red.

			Wed., Oct. 18	Tues., Oct. 17
1	Low Coupons	5 years	9.20	9.22
2		15 years	11.18	11.23
3		25 years	12.05	12.09
4	Medium Coupons	5 years	12.24	12.26
5		15 years	12.41	12.46
6		25 years	12.41	12.46
7	High Coupons	5 years	12.27	12.31
8		15 years	13.00	13.03
9		25 years	13.11	13.15
10	Irredeemables		11.80	11.85

		Wed., Oct. 18 Index No.	Wed., Oct. 18 Yield %	Tues. Oct. 17	Monday Oct. 16	Friday Oct. 13	Thurs. Oct. 12	Wed. Oct. 11	Tues. Oct. 10	Mon. Oct. 9
15	20-yr. Red. Deb & Loans (15)	56.66	†13.10	56.69	56.70	57.25	57.24	57.65	57.70	57.70
16	Investment Trust Prefs. (15)	51.25	15.62	51.25	51.23	51.32	51.58	51.65	51.65	51.74
17	Coml. and Indl. Prefs. (20)	72.03	12.97	72.00	71.73	71.63	71.60	71.40	71.25	71.39

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in [illegible] issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon [illegible] London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. Ltd. (a)

Allied Hambro Group (a)(g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

G.T. Unit Managers Ltd.

G. & A. Trust (a)(g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(c)(g)

Hill Samuel Unit Tst. Mgrs.

Intel.

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Lawson Secs. Ltd. (a)(c)

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mgemnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National and Commercial

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Piccadilly Unit Trust (a)(b)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rothschild & Lowndes Mgmt. (a)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Save & Prosper continued

Scotbits Securities Ltd.

Schlesinger Trust Mngrs. Ltd. (a)(z)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd. (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Target Tst. Mgrs. (Scotland) (a)(b)

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

Tyndall Managers Ltd.

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

... Finlay Unit Trust Mngt. Ltd.

...Nile Street, Glasgow. 041 204 1321

...y Internat'l.	23.8	25.8	-1.4	2.79
... Units	27.8	30.3	-1.7	2.79
...y Income	34.4	37.4	-0.6	8.22
...y Euro.Fin.	27.6	29.8	.....	2.19
... Units	31.9	34.6	-0.1	2.19
...y Fd.In.Tst.	30.4	32.9	-0.8	4.08
... Units	34.8	37.6	-0.9	4.08

...ces Oct. 18. Next dealing Oct. 25.

Growth	36.8	39.6	...	2.88
Do Accum.	39.4	42.4	-0.1	2.88
Capital	27.7	29.8	-0.1	3.19
Do Accum.	30.2	32.7	-0.2	3.19
Income	53.8	57.9	+0.4	6.47
Do Accum.	62.7	67.5	+0.4	6.47
International	45.2	48.9	-0.5	2.40
Do Accum.	48.2	52.0	-0.6	2.40
High Yield	64.9	63.9	+0.3	8.29
Do Accum.	69.9	75.2	+0.3	8.29
Equity Exempt*	104.7	110.5	.....	5.63
Do. Accum.*	104.7	110.5	.....	5.63

*Prices at Sept. 29. Next dealing Oct. 31.

CORAL INDEX: Close 492-497

INSURANCE BASE RATES

†Property Growth 10¾%

†Vanbrugh Guaranteed 10.25%

†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Arrow Life Assurance

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

City of Westminster Assur. Co. Ltd.

City of Westminster Assur. Soc. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assurance Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (U.K.) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Solar Life Assurance Limited

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (U.K.) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund

37 rue Notre Dame, Luxembourg

Alexander Fund	$US7.23		-0.20	—

Net asset value October 18.

Allen Harvey & Ross Inv. Mgt. (C.I.)

1 Charing Cross, St. Helier, Jsy. C.I. 0534-73741

AHR Gilt Edge Fd.	£10.09	10.12	.....	11.97

Arbuthnot Securities (C.I.) Limited

P.O. Box 284, St. Helier, Jersey. 0534 72177

Cap. Tst. (Jersey)	117.0	121.0		4.13

Next dealing date October 24.

Gov't Secs. Tst.	98	100		12.00

Next dealing date October 25.

East & Intl. Tst. (C.I.)	115	122	...	3.07

Next dealing date October 26.

Australian Selection Fund NV

Market Opportunities, c/o Irish Young & Outhwaite, 127 Kent St., Sydney.

US$1 Shares	$US1.58		...	—

Net asset value October 13.

Bank of America International S.A.

35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	$US115.65	118.23		7.31

Prices at Oct. 12. Next sub. date Oct. 18.

Banque Bruxelles Lambert

2, Rue De la Regence B 1000 Brussels

Renta Fund LF.	1,923	1,982	+8	7.76

Barclays Unicorn Int. (Ch. Is.) Ltd.

1, Charing Cross, St. Helier, Jrsy. 0534 73741

Overseas Income	46.9	49.3		12.10
Unidollar Trust	$US12.68	12.28	-0.15	1.70
Unibond Trust	$US100.94	102.77		8.00

Barclays Unicorn Int. (I. O. Man) Ltd.

1 Thomas St., Douglas, I.o.M. 0624 4856

Unicorn Aust. Ext.	53.5	57.6		1.60
Do. Aust. Min.	34.6	37.2		1.60
Do. Grtr. Pacific	69.9	72.2	-2.1	—
Do. Intl. Income	39.8	42.9	-0.5	8.20
Do. I. of Man Tst.	46.6	50.1		8.8
Do. Manx Mutual	27.4	29.5	+1.0	1.90

Bishopsgate Commodity Ser. Ltd.

P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC **Oct. 2	$US28.32	30.27		—
CANRHO**Oct. 2	£1,092	1,158		—
COUNT**Oct. 2	£2,465	2,614		2.01

Originally issued at *$10 and **£1.00.

Bridge Management Ltd.

P.O. Box 508, Grand Cayman, Cayman Is.

N'bashi Oct. 2	¥17,876		...	—

G.P.O. Box 590, Hong Kong

Nippon Fd. Oct. 18	$US20.68	22.61	-0.8	0.70

Britannia Tst. Mngmt. (CI) Ltd.

30 Bath St., St. Helier, Jersey. 0534 73114

Sterling Denominated Fds.

Growth Invest	38.7	41.8	.....	2.00
Intnl. Fd.	93.2	100.9	...	1.00
Jersey Energy Tst.	129.7	140.2	...	1.50
Univsl. $ Tst. Stg.	£2.32	2.44	...	1.00
High Int. Stlg. Tst.	0.96	0.99	.....	12.12

U.S. Dollar Denominated Fds.

Univsl. $ Tst.	$US5.61	5.93	...	—
Int. High Int. Tst.	0.97	1.00	...	9.00

Value Oct. 13. Next dealing Oct. 23.

Brown Shipley Tst. Co. (Jersey) Ltd.

P.O. Box 583, St. Helier, Jersey. 0534 74777.

Butterfield Management Co. Ltd.

Capdirex SA

Capital International S.A.

Central Assets Management Ltd.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Bank (Guernsey) Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Fund Mgrs. Ltd.

Hill-Samuel & Co. (Guernsey) Ltd.

8 LeFebvre St., Peter Port Guernsey, C.I.

Guernsey Tst.	154.6	165.4	+0.3	3.59

Hill Samuel Overseas Fund S.A.

37, Rue Notre-Dame, Luxembourg

	$US19.90	20.70	-0.45	—

International Pacific Inv. Mngt. Ltd.

PO Box R237, 56, Pitt St., Sydney, Aust.

Javelin Equity Tst.	$A2.43	2.55	.....	—

J.E.T. Managers (Jersey) Ltd.

PO Box 194, Royal Tst. Hse., Jersey 0534 27441

Jersey Extrnl. Tst.	191.0	206.0		—

As at Sept. 29. Next sub. day Oct. 31.

Jardine Fleming & Co. Ltd.

46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$353.70		.....	2.00
Jardine J'pn. Fd.*	HK$422.61		.....	0.80
Jardine S.E.A.	$US19.78		.....	1.80
Jardine Flem. Int.	HK$12.48		.....	—
Intl. Pac. Secs. (Inc.)	HK$14.75		...	—
Do. (Accum.)	HK$14.90		...	—

NAV Sept. 30. *Equivalent $US87.21. Next sub. Oct. 13.

Keyselex Mngt. Jersey Ltd. see under Central Assets Mngt. Ltd. and under Capdirex SA

King & Shaxson Mgrs.

1 Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	8.84	8.86	-0.01	12.25
Gilt Trust (I.o.M.)	105.6	106.3		12.25
Gilt Fnd. Guernsey	9.23	9.24	-0.01	12.25

Intl. Govt. Secs. Tst.

First Sterling	£17.91	18.04	...	—
First Intl.	$US199.03	199.95	...	—

Kleinwort Benson Limited

20, Fenchurch St., EC3 01-623 8000

Eurinvest. Lux. F.	1,166			3.00
Guernsey Inc.	69.0	73.4	...	4.18
Do. Accum.	85.1	90.6	...	4.18
KB Far East Fd.	$US13.84		....	1.45
KB Intl. Fund	$US12.50		.....	1.86
KB Japan Fund	$US42.90		.....	0.58
K.B. U.S. Gwth. Fd.	$US13.04		...	0.69
Signet Bermuda	$US5.30		...	1.69
*Unifonds (DM)	20.10	20.20	-1.0	8.02

*KB act as London paying agents only.

Lloyds Bk. (C.I.) U/T Mgrs.

P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas.	60.8	64.0		1.21

Next dealing date November 15.

Lloyds Bank Intl. Geneva.

P.O. Box 438 1211 Geneve 11 (Switzerland)

Lloyds Int. Growth	SF328.50	350.0	-25.50	1.70
F296.00 307.50 -2	SF279.00	307.50	-2.50	6.50

M & G Group

Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

Atlantic Oct. 17	$US3.20	3.50		—
Aust. Ex. Oct. 18	$US2.53	2.69	-0.11	—
Gld. Ex. Acc. Oct. 18	$US10.09	11.27	-0.59	—
Island	134.7	144.9	-0.1	13.45
(Accum Units)	194.0	208.7	-0.2	13.45

Samuel Montagu Ldn. Agts.

114, Old Broad St., E.C.2 01-588 6464

Apollo Fd. Oct. 11	SF45.00	48.05		3.75
Japfest Oct. 18	HK$10.25	15.13	-0.08	0.83
117 Group Oct. 4	$US11.77	12.31		1.86
117 Jersey Oct. 4	£5.61	6.13		0.68
117 Jsy O's Oct. 11	£11.10	11.68	-0.21	—

Murray, Johnstone (Inv. Adviser)

163, Hope St., Glasgow C2 041-221 5521

*Hope St. Fd.	$US42.53		.....	—
*Murray Fund	$US12.42		.....	—

NAV October 15.

Negit S.A.

10a Boulevard Royal, Luxembourg

NAV Oct. 13	$US12.09		.....	—

Negit Ltd.

Bank of Bermuda Bldgs., Hamilton, Brmda.

NAV Oct. 6	£7.03	—	.....	—

Phoenix International

PO Box 77, St. Peter Port, Guernsey.

Quest Fund Mngmnt. (Jersey) Ltd.

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

Rothschild Asset Mngt. (Bermuda)

Royal Trust (CI) Fd. Mgt. Ltd.

Save & Prosper International

Schlesinger International Mngt. Ltd.

Schroder Life Group

J. Henry Schroder Wagg & Co. Ltd.

Sentry Assurance International Ltd.

Singer & Friedlander Ldn. Agents

Stronghold Management Limited

Surinvest (Jersey) Ltd. (x)

TSB Unit Trust Managers (C.I.) Ltd.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Group

Utd. Intnl. Mngmnt. (C.I.) Ltd.

United States Tst. Intl. Adv. Co.

14, Rue Aldringer, Luxembourg

U.S. Tst. Inv. Fnd.	$US11.01		-0.14	0.92

Net assets October 17.

S. G. Warburg & Co. Ltd.

30, Gresham Street, EC2 01-600 4555

Conv. Bd. Oct. 17	$US9.70		-0.05	—
Eng. Int. Oct. 17	$US18.59		-0.16	—
Gr. St. $Fd. Aug. 31	$US7.58			—
Merc. Ebd. Oct. 11	$US10.47	10.59	...	0.0062
Merc. Mny. Mkt. Oct. 16	£10.04	10.05	....	—

Warburg Invest. Mngt. Jrsy. Ltd.

1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. Sept. 28	$US13.93	14.28	.....	—
CMT Ltd. Sept. 28	£14.39	14.76	.....	—
Metals Tst. Sept. 21	£12.38	12.68	...	—
TMT Oct. 12	$US11.39	11.69	...	—
TMT Ltd. Oct. 13	£11.11	11.40	.....	—

World Wide Growth Management

10a, Boulevard Royal, Luxembourg.

Worldwide Gth. Fd.	$US16.46		-0.21	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♦ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

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[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
24	17	Antofagasta Rly.	24	......	—	—
41	33	Do. 5pc Pref.	41	......		—
98	98	Chilean Mixed	98	......	—	13.09
415	350	German Yng. 4½pc.	411	......	4½	—
54	46	Greek 7pc Ass.	52	......	3½	16.94
51	46	Do. 6pc 28 Stab. Ass.	50	......	6	16.07
44	40	Do. 4pc Mixed Ass.	42	......	4	14.83

BONDS & RAILS—Cont.

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 36¾% (based on US$1.9972 per £)

Conversion factor 0.7330 (0.7388)

CANADIANS

[illegible]

S.E. List Premium 36¾% (based on $2.3612 per £)

BANKS AND HIRE PURCHASE

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]								
255	195	Gillett Bros £1	217	−3	15.41	—	10.6	—
29	19	Goode D'l Mry. 5p	21	−½	0.13	—	0.9	—
142	96	Grindlays	131	+1	2.79	7.1	3.2	4.7
260	185	Guinness Peat	225	......	10.31	—	6.8	—
217	155	Hambros	190	......	9.76	—	7.7	—
100	81	Hill Samuel	90	......	4.97	—	8.3	—
600	275	Do. Warrants	275	......	—	—	—	—
360	203	Hong Shng. $2.50	290	−4	hQ59c	—	2.4	—
69	52	Jessel Toynbee	60	−2	†h3.32	—	8.4	—
215	160	Joseph (Leo) £1	180	......	8.75	—	7.2	—
52	37	Keyser Ullman	50	+2	0.67	—	2.0	—
74	56	King & Shax 20p	62	......	3.44	—	8.3	—
114	90	Kleinwort B.L.	94	......	†4.18	—	6.8	—
297	242	Lloyds £1	260	......	†9.23	4.8	5.3	5.9
[illegible]								

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

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[illegible]

DRAPERY AND STORES

[illegible]

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[illegible]

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[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

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[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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INSURANCE—Continued

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MINES

CENTRAL RAND

[illegible]

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FAR WEST RAND

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O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Yld Gr's
210	155	Falcon Rh. 50c	158	......	Q60c	ϕ	21.7
25	15	Rhod'n Corp. 16²⁄₃p	17	......	0.57	7.1	5.0
80	52	Roan Cons. K4	75	−2	—	—	—
41	30	Wankie Col. Rh.1	30xc	−3	Q9c	ϕ	17.9
17½	10	Zam.Cpr.SBD0.24	15½	−½	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Yld Gr's
15	10	Acmex 25c	10	......	—	—	—
140	64	Bougainville 40 Toea	129	......	†Q6c	1.4	3.9
151	63	BH South 50c	120	−1	—	—	—
820	150	Central Pacific	430	−20	—	—	—
336	148	Conzinc Riotinto 50c	278	−12	‡Q10c	2.2	‡
27	9½	Endeavour 20c	22½	......	—	—	—
72	45	G.M. Kalgoorlie $1	66	......	—	—	—
68	18	Hampton Gold N.L.	43	−3	—	—	—
149	81	Hampton Areas 5p	125	......	13.55	2.0	4.2
40	10	Metals Ex. 50c	30½	+½	—	—	—
225	125	M.I.M. Hldgs. 50c	191xd	−6	Q9c	1.7	2.9
39	10	Mount Lyell 25c	35	+1	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TINS

[illegible]

COPPER

104	70	Messina R0.50	74	......	tQ30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Yld Gr's
68	35	Baryman	56	−2	—	—	—
17	9	Burma Mines 17½p	15	+1	—	—	—
300	215	Cons. Murch. 10c	255	−10	‡Q30c	2.6	‡
465	245	Northgate C$1	365	−10	—	—	—
263	164	R.T.Z.	255	−4	9.5	2.8	5.6
90	30	Sabina Inds. C$1	54	−1	—	—	—
£12	750	Tara Expln. $1	837	−50	—	—	—
62	43	Tehidy Minerals 10p	60	......	♦1.35	ϕ	2.5
165	120	Yukon Cons. C$1	155	......	Q7c	2.9	2.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ♦ Same interim, reduced final and/or reduced earnings indicated.
- ‡ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 36

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......
Ash Spinning	49	......
Bertam	17	......
Bdg'wtr. Est. 50p	330	......
Clover Croft	26	......
Craig & Rose £1	520	......
Dyson (R. A.) A	37	......
Ellis & McHdy	67	......
Evered	27	......
Fife Forge	52	......
Finlay Pkg. 5p	21xd	......
Graig Ship. £1	147	+7
Higsons Brew.	77	......
I.O.M. Stm. £1	172	......
Holt (Jos.) 25p	256	......
N'thn. Goldsmith	66	......
Pearce (C. H.)	190	......
Peel Mills	21	......
Sheffield Brick	56xd	......
Sheff. Refrshmt.	63	......
Sindall (Wm.)	109	+2

IRISH

Conv. 9% '80/82	£90½	+⅛
Alliance Gas	87xd	+3
Arnott	365	......
Carroll (P. J.)	95	......
Clondalkin	88xd	......
Concrete Prods.	130	......
Heiton (Hldgs.)	48	......
Ins. Corp.	190	......
Irish Ropes	100	......
Jacob	59xd	+½
Sunbeam	32	−1
T.M.G.	200	......
Unidare	85	......

OPTIONS
3-month Call Rates

Industrials		I.C.I.	20	Tube Invest.	30
A. Brew	6½	"Imps"	6	Unilever	35
A.P. Cement	18	I.C.L.	30	Utd. Drapery	7½
B.S.R.	9	Inveresk	9	Vickers	15
Babcock	11	KCA	3	Woolworths	5
Barclays Bank	25	Ladbroke	17		
Beecham	35	Legal & Gen.	14	**Property**	
Boots Drug	15	Lex Service	7	Brit. Land	3¼
Bowaters	16	Lloyds Bank	22	Cap. Counties	4½
B.A.T.	24	"Lofs"	4	E.P.	5
British Oxygen	6	London Brick	5	Intereuropean	4
Brown (J.)	20	Lonrho	5	Land Secs.	16
Burton 'A'	12	Lucas Inds.	25	MEPC	12
Cadburys	5	Lyons (J.)	10	Peachey	8
Courtaulds	10	"Mams"	7	Samuel Props.	9
Debenhams	8	Mrks. & Spncr.	10	Town & City	1¼
Distillers	15	Midland Bank	25		
Dunlop	7	N.E.I.	12	**Oils**	
Eagle Star	11	Nat. West. Bank	22		
E.M.I.	14	Do. Warrants	10	Brit. Petroleum	45
Gen. Accident	17	P & O Dfd.	8	Burmah Oil	5
Gen. Electric	18	Plessey	8	Charterhall	3
Glaxo	40	R.H.M.	5	Shell	28
Grand Met.	9	Rank Org. 'A'	18	Ultramar	20
G.U.S. 'A'	20	Reed Intnl.	12		
Guardian	18	Spillers	3	**Mines**	
G.K.N.	22	Tesco	4	Charter Cons.	12
Hawker Sidd.	20	Thorn	22	Cons. Gold	14
House of Fraser	12	Trust Houses	15	Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday October 19 1978

CBI urges strings on Europe money system

By Philip Rawstorne and Peter Riddell

A DISTINCTLY qualified welcome for the proposed European Monetary System was given last night by the Confederation of British Industry.

A CBI working party has decided basically in favour of UK entry into the scheme, subject to safeguards similar to those set out by Ministers as the UK's conditions in the current negotiations.

The CBI's comments emerged as Mr. James Callaghan, the Prime Minister, and Chancellor Helmut Schmidt of West Germany continued talks on the scheme in Bonn.

It also became clear yesterday that the Prime Minister would face fierce opposition at a joint meeting next Monday of the Cabinet and the Labour National Executive Committee to further Government negotiations on the proposals. Left-wing members of the executive will demand on Monday that the Cabinet should accept the overwhelming decision of the Labour conference against any moves towards economic and monetary union.

Anti-marketeers dominate the national executive, which expressed its hostility to the scheme in an emergency resolution to the Labour conference this month. The resolution, which was not debated, declared the NEC's opposition to British participation in arrangements that would threaten the country's economic sovereignty.

Parities

Meanwhile, informal talks on the plan continue between members of the Cabinet. Small groups of Ministers are strongly in favour of or against the proposals, and more remain undecided pending clearer terms.

The CBI takes a broadly similar line to that publicly stated by the Prime Minister. The report of the CBI working party, headed by Mr. Deryk Vander Weyer, vice-chairman of Barclays Bank, favours entry only if the elimination of large short-term fluctuations in exchange rates does not prevent or delay necessary changes in parities.

The report emphasises the need for freedom to alter parities within the scheme and says that the burden of adjusting domestic economies should be distributed between member countries to prevent the system from being inherently restrictive of economic growth.

There should also be adequate credit facilities to support the scheme and arrangements for a better balance between contributions to, and benefits from, the EEC related to the strengths of various national economies.

The CBI also argues that it should be possible for the UK to enter with sterling set at competitive initial rates against other currencies. The Government has not gone that far.

Split

The report reflects the differing views of CBI members about the priority of stable exchange rates, noting the concern of many companies about the adverse impact of short-term currency fluctuations. The CBI also points out that even assuming moderate pay settlements it may be difficult in 1979 to achieve a continuation of the recent rate of economic growth combined with a satisfactory current-account balance without some reduction in the effective sterling exchange rate from its present level.

The Prime Minister hopes to return from Bonn today in a stronger position to resist the anti-market pressures in his party without causing a split.

The Safeguard Britain campaign, an all-party anti-market group, made clear yesterday that resistance would continue to any form of European monetary system.

In a statement the group said, "Any form of EMS must lead to centralised decisions. Some central EEC authority would in effect determine the economic monetary and social policy of any British Government. Removal of rights to determine our exchange-rate policy would leave us unprotected, accelerate the de-industrialisation of Britain and risk making us an economic satellite of the centralised EEC."

TUC may be offered stricter price curb

BY JOHN ELLIOTT AND CHRISTIAN TYLER

THE GOVERNMENT is prepared to consider further price restraint measures, in spite of legislative difficulties, as part of a new understanding with the TUC on the battle against inflation.

Ministers believe some widening of the powers of the Price Commission would help the climate of reconciliation with the unions that they feel is being established by the present round of private talks.

But action on prices is not viewed as a complete substitute for the present system of sanctions against companies which breach the Phase Four 5 per cent limit on pay settlements. Nor are Ministers confident that the TUC, in view of its congress policy, can come up with a cogent alternative to direct pay controls.

Legislation would apparently be needed to make the Price Commission a more direct monitor on wage deals, and it is far from certain that the Government could command a Parliamentary majority for a new Bill. For this reason CBI leaders believe the idea may turn out to be a non-runner.

Ministers' talks with the six TUC leaders on the National Economic Development Council are still at an early stage, and no trade-offs have been agreed. Moreover, the Government has told the TUC that it is not prepared to come to some cosmetic arrangement.

The areas of price control and low pay, explored at a dinner at the Treasury on Tuesday, will be examined at a further meeting of Ministers with the union leaders probably next week.

The TUC, which agrees with the Government on the aim of keeping inflation in single figures, but not with the method, is suggesting a "twelve-month rule" on price rises, rigorous vetting of price rise applications, and a cut in indirect taxation, as well as further concessions for the low paid.

Warning

In spite of the Prime Minister's warning that fiscal and monetary action would follow a serious general breach of the 5 per cent limit, there is no sign that Ministers are using it as a bargaining counter with the TUC.

The warning is interpreted by the trade unions as little more than public expression of the Government's ultimate responsibility for economic management.

But any moves in this direction will be strongly opposed by the Confederation of British Industry which will tell Mr. Denis Healey, Chancellor of the Exchequer, at a meeting next week, that the Government should relax the operation of its 5 per cent pay limit.

A delegation of leading industrialists will argue that this is urgently needed to defuse the growing sense of crisis surrounding pay negotiations. They will also urge that the Government should not make any new provisions for low paid workers.

The CBI will meet Mr. Healey next Thursday, a few hours after the Cabinet has discussed the pay policy. For some months it has felt that the 5 per cent pay limit should be operated flexibly.

But its message at the meeting will have a new significance. This is because the CBI believes there is still a chance of a large number of pay settlements being struck at about 5 per cent, despite recent events, provided the Government defuses the situation by allowing more flexible bargaining.

This would mean removing the fear among senior industrialists that their companies will be penalised with sanctions on their companies' business dealings with the public sector if they go above the 5 per cent. It would also mean rejecting any ideas of stricter price controls which Mr. John Greenborough, the confederation's president, said yesterday would be an "ultimate absurdity."

"The Government has got itself too fixed on the 5 per cent. It is too rigid and it creates an automatic target for unions to try and beat." Sir John Methven, CBI director general, added last night after a meeting of the confederation's council.

● The National Consumer Council yesterday met Mr. Roy Hattersley, Price Secretary, and urged that the Price Commission should closely monitor any attempt by companies to pass on large pay settlements by raising prices.

Economic viewpoint, Page 21

Doubts over pay policy slow wage settlements

BY DAVID FREUD

MANY WORKERS appear to be putting off pay settlements in Phase Four of the Government's incomes policy in case the 5 per cent guideline does not survive.

Department of Employment figures yesterday show the number of employees in major groups who have agreed pay settlements in the first 2½ months of the round was 30 per cent below the 1977 level. Last year was noted for the slowness with which early settlements were reached. But there is evidence that low-paid workers are hurrying their settlements to take advantage of the pay policy's £44.50 minimum weekly earnings provision.

Between the beginning of August and mid-October about 1m low-paid workers, covered by nine wages councils, agreed increases worth up to 27 per cent. In the same period last year just over 400,000 low-paid employees, covered by five councils, had settled.

A total of 270,000 employees in major groups—apart from the low-paid—had settled by mid-October. This figure included 120,000 policemen who received the second part of a pay award negotiated last year.

The remaining total of 150,000 was 30 per cent down on the number who had settled by mid-October last year. According to the Department they were all within the 5 per cent guidelines.

The official figures are consistent with the Confederation of British Industry's monitoring, which shows that 460,000 workers have settled, compared with 434,000 at the same time last year.

The sluggish settlement rate caused a slowdown in August in the annual increase in average earnings. The new index for the whole economy, covering about 21m workers and which is not seasonally adjusted, rose 13.8 per cent in the 12 months to August, compared with 14.2 per cent in July.

The older index, which is based on 11m mainly production workers, showed a similar movement. In the 12 months to August it was up 15.7 per cent compared with 16.2 per cent the previous month. The index was 332.9 in August (January 1970=100, seasonally adjusted) compared with 332.7 in July.

The whole economy index stood at 131.6 in August (January 1976=100) compared with 133.6 in July. The decline was due mainly to the effect of back-pay in July wage packets.

machine 15—— rk-g'

Basic weekly wage rates were steady between August and September at 265.6 (July 1972 = 100) for an increase of 10 per cent in the past year. This index covers only nationally-negotiated basic rates for manual workers.

● The Engineering Employers' Federation yesterday reported that a number of workers in engineering companies may be delaying settlements. Between August and mid-October only 80 settlements had been reported compared with 208 in the same period last year.

Fresh talks on stoppage, Page 10

Fresh allegations in Sime Darby row

BY JAMES BARTHOLOMEW

TURQUAND Youngs and Co., the Far Eastern branch of British accountants, Turquand Barton Mayhew and Co., has made new allegations in its attempt to resist dismissal from the major overseas trading company, Sime Darby Holdings.

Turquand claimed yesterday that the Board's decision was opposed by the finance director, Mr. Stanley Booton, the man most closely involved with the audit work. Turquand claimed that another director Mr. Tan Sri Taib Andak abstained from the Boardroom vote. Previously Turquand had said only that the Board was not unanimous without giving details.

Turquand also alleged that the reasons given publicly for its dismissal were quite different from those privately given to the firm and recorded in Sime's own board meeting minutes. The senior partner of Turquand Youngs, speaking in Kuala Lumpur, claimed he had seen these minutes which were taken at a board meeting on March 14 this year.

Mr. Booton would not reveal the privately given reasons yesterday saying, "We believe it is for the board of Sime Darby to justify their recommendation to shareholders." But in London, Mr. Dennis Garrett, senior partner of Turquand, Barton Mayhew, did not rule out the possibility that these private reasons might be revealed by the auditors in due course. He said that the firm had yesterday made the additional revelations "because we have got a little more frustrated."

The Sime Board said that its reason for sacking Turquand is that the auditors have a less comprehensive international coverage than their mooted successors, Price Waterhouse and Co. Turquand does not believe either this explanation or the reasons given privately. Mr. Booton described the private reasons yesterday as "insubstantial in the extreme."

"Our concern is not only that shareholders should be fully informed," said Mr. Booton. "Lack of an acceptable reason for replacing my firm has given rise to speculation as to whether there may be a substantial reason and such speculation to take the form of doubts as to our competence. In other words it might tend to damage our good name."

Meanwhile, the position of Mr. Booton is unclear. A finance director designate, Mr Michael Dowdy has recently been appointed. He was previously finance director of Dalgety.

The annual meeting at which shareholders will decide whether Turquand will retain the audit will take place in Kuala Lumpur on November 17.

THE LEX COLUMN

Reading between the courses

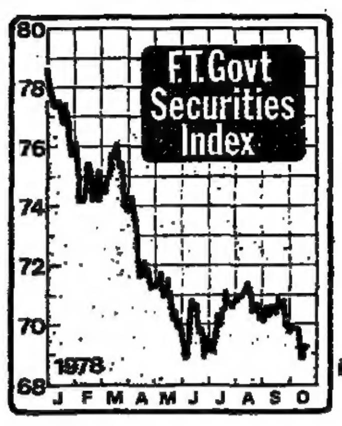
The worst fears of an imminent rise in Minimum Lending Rate were fading yesterday, as short rates in the money market eased ¼ or so and the FT Government Securities Index picked up 0.21 points to close nearly half a point ahead of the 1978 low of 68.79, which was equalled on Monday. But although on balance the City is not now expecting the Bank of England to show its hand at 12.30 pm today, the course of events during the next few weeks remains highly uncertain.

Tonight's speeches by the Chancellor and the Governor of the Bank of England at the Lord Mayor's Banquet thus come at an awkward stage. They will be carefully examined for clues to official thinking. If they are excessively bland the market's confidence will be further undermined. Yet with the talks on the European Monetary System at a delicate stage, and with the Government in the midst of re-examining its economic forecasts and monetary targets, it is hard to see how anything very specific can be said.

It may be that if satisfactory money supply figures are released in the afternoon Mr. Healey will be able to emphasise a relaxed manner. His City audience will, however, be expecting to receive some reassurances on the Government's medium-term economic policy balance. The collision between fiscal and monetary policies has in the past couple of weeks sent yields on long dated gilt-edged back up over 13 per cent, close to the highest levels seen in 18 months although inflation has dropped sharply during that period.

As for Mr. Gordon Richardson, he will be expected to share at least a little of the City bankers' liking for the European Monetary System. But enthusiastic as the financiers are about currency stability, by and large economists are deeply sceptical of sterling's chances of staying in contact with the D-mark for any worthwhile length of time. Certainly the Governor will need to show his monetary teeth, and the Chancellor fiscal restraint, if the EMS is to appear a credible option.

Index fell 3.9 to 494.6



BHS

British Home Stores' policy of switching into non-food lines seems to be paying off—in sales terms at least. Yesterday's interim figures reveal that non-food sales are up 29 per cent in the six months to mid-September. BHS reckons that a good half of this represents volume gains, with a further 5 per cent coming from new space. This compares with the 14 per cent volume gains claimed by Marks and Spencer on Tuesday. The sales picture on the food side is obviously blurred as a result of the removal of food department from 19 stores. However, BHS hopes to be turning over as much per week in the remaining 61 stores by the end of the year.

But despite the overall turnover increase of 21 per cent pre-tax margins have only improved from 7.6 to 7.8 per cent—leaving pre-tax profits for the period 24 per cent higher at £10.4m. A number of special factors have had some impact here: there is an extra pension charge of £300,000, there is an interim provision for the employee profit bonus, and there is the additional expense of the sales floor reorganisation.

BHS reports that the strong trading pattern has continued in the second half and the group could end up with pre-tax profits of the order of £35m. At 212p the shares trade on a prospective full taxed p.e. of about 13, (a small discount to Marks and Spencer) while the yield is about 5 per cent.

Sime Darby

The extraordinary affair of Sime Darby's auditors—who are fighting the Board's plan to appoint Price Waterhouse in their place — still remains shrouded in mystery despite another statement from Turquands Barton Mayhew yesterday. This claims that Sime's finance director voted against dismissal. TBM's policy seems to be to dribble out new bits of embrassing detail in the hope of baiting the Sime Darby Board to make a statement. Barring legal constraints, this is what the Board ought to do regardless. Sime's present policy of inscrutable silence not only frustrates the intention of the new Companies' Act—it hardly equates with shareholders' interests.

UBM

UBM has pulled out all the stops with its interim figures. The dividend has been increased by the maximum amount for the first time in five years, the pre-tax profits of the existing business have jumped from £1.6m to £3m, and the group has added in another £0.4m for good measure. This reflects the impact of an acquisition consummated four weeks after the end of the half year in question, which looks a trifle excessive given that UBM is committed to selling off most of it over the next six months.

That aside, it is clear that the bulk of UBM's business, builders merchanting, has performed strongly for the first time for some years. Trading profits here are over £1m higher and volume is up by around a tenth. There is still plenty of recovery potential in this side of the business and with further growth on the motor distribution side (provided the Ford strike does not drag on too long) UBM should be heading for profits in the full year of around £7m against £3.6m. However this is still below the previous peak of £7.8m, attained in 1974, since when UBM's turnover has roughly doubled. At 75p the shares are selling on a prospective fully taxed multiple of just over 10 and yield 9.5 per cent.

Time Products

It's goodbye to Preference scrips—but Time Products may be ushering in a new era of micro rights issues. In connection with a one-for-ten rights issue, raising a sum equivalent to less than 8 per cent of TP's market capitalisation, the Treasury has allowed the company to treble is dividend. Anybody willing to try a one-for twenty?

Mitsubishi wants permit soon or will drop Welsh truck plant

BY KENNETH GOODING

PLANS BY Mitsubishi Motors to build a truck assembly plant in Wales will be shelved indefinitely unless the group is given a clear indication of the attitude of the British Government by the end of next month.

Mr. Michael Orr, managing director of the company which imports Colt cars from Mitsubishi and is handling the negotiations, made this clear at the International Motor Show preview yesterday.

Mitsubishi, one of Japan's biggest commercial vehicle manufacturers, is represented at the show with a one-tonne tip-up truck and a motor caravan, instead of the medium-sized trucks it would like to sell in Britain. The UK Government faces a delicate policy decision over Mitsubishi because of the furore over Japanese car imports. The motor industry has been insisting that the Government takes a firm stand against a similar incursion on the commercial vehicle side of the business.

Mr. Orr claimed, however, that the Development Corporation of Wales and the Welsh TUC were very keen on the idea of the Mitsubishi project which eventually would create about 500 jobs.

The U.K. Government had been assured that local content of the trucks would rise to more than half as quickly as possible. A network of 60 dealers has already been established.

"But so far we have had no indication at all from the Government departments concerned whether we will be permitted to go ahead. We cannot go on spending shareholders' money to no effect—it is costing us about £65,000 a year on the truck division—and if there is no clear indication by the end of November then the project will be shelved," said Mr. Orr.

The understanding between the Japanese and U.K. motor industries prevents any shipments of trucks over 3.5 tonnes directly to the U.K. Local assembly is essential if Mitsubishi is to get a foothold in the market.

Continued from Page 1

Fish

problems would be taken up by "the most senior officials" next week in a series of bilateral and multi-national negotiations.

Mr. Silkin said after the talks that the main problems in reaching a settlement would be those which had held up progress over the past nine months—those of historical fishing rights in the 12-mile coastal zone, access to fish in the 50-mile zone (where Britain claims preferential rights) and Britain's rights to the increase ein fish stocks.

Toolmakers vote to continue strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS' 32 rebel toolmakers ignored the advice of their leaders yesterday and voted to continue their 12-week strike.

The men from SU Fuel Systems decided to fight on alone in spite of the fact that Mr. Roy Fraser's unofficial toolmakers' committee has once more deferred its threatened strike call to 3,000 other skilled men.

There can be do doubting the bitterness and feeling of betrayal among the SU men that they have been left to carry alone the burden of the toolmakers' campaign for improved differentials. Though leading members were urging a return to work as the only realistic response, opinion was swayed by a report that their action might, for the first time, be affecting SU output.

Another factor which might have stiffened the men's resolve was the receipt of £1,400 collected from other toolmakers.

The problem for Mr. Fraser is to gauge the amount of support he is likely to get for an all-out strike call at a time when details are emerging of what might be forthcoming to skilled workers should central negotiations between the union and management prove successful.

According to Mr. Fraser, the company is circulating figures suggesting earnings for all skilled men could be increased to £84.76 from November 1.

Weather

U.K. TO-DAY

DRY with sunny intervals. Occasional rain in north.

London S., S.E., S.W. Cent., N. and E. England, Midlands, Channel Islands, E. Anglia, S. Wales.
Mostly cloudy, bright intervals. Max. 14C (56F).

N. Wales, N. W. England, Lakes, Isle of Man, S. W. Scotland, Glasgow, N. Ireland.
Occasional rain or drizzle. Max 12C (54F).

N. E. England, Borders, Edinburgh, Dundee, Aberdeen, Moray Firth.
Mostly dry, sunny intervals. Max. 12C (54F).

Cent. Highland, N. E. and N. W. Scotland, Argyll, Orkney, Shetland
Rain at times. Max. 12C (54F).

Outlook: Mainly dry with some rain in North.

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Amstrdm	C	13	54	Luxembrg.	S	9	48
Athens	S	21	70	Madrid	S	14	57
Bahrain	S	31	88	Manchstr.	R	8	46
Barcelona	C	13	55	Melbourne	R	12	54
Beirut	S	26	79	Milan	C	15	59
Belfast	C	10	50	Montreal	S	7	45
Belgrado	S	22	72	Moscow	C	7	45
Berlin	C	9	48	Munich	R	7	45
B'mchm.	R	9	48	Newcastle	C	11	52
Bristol	S	11	52	New York	S	12	54
Brussels	S	12	54	Oslo	F	5	41
Budapest	S	13	55	Paris	F	12	54
B. Aires	S	19	66	Perth	F	26	79
Cairo	S	34	93	Reykjavik	C	5	41
Cardiff	C	11	52	Rio de J'o	S	23	73
Chicago	C	11	52	Rome	F	20	68
Cologne	C	5	41	Singapore	S	28	82
Copnhagn.	S	11	52	Stockholm	S	6	43
Dublin	R	11	52	Strasbrg.	C	10	50
Edinbrgh.	C	12	54	Sydney	R	15	59
Frankfurt	C	8	46	Tehran	S	24	75
Geneva	C	9	48	Tel Aviv	F	25	77
Glasgow	C	12	54	Tokyo	S	20	68
H. Kong	C	23	73	Toronto	C	8	46
Jo'burg	C	21	70	Vienna	C	12	54
Lisbon	S	19	66	Warsaw	F	9	48
London	S	13	55	Zurich	C	9	48

HOLIDAY RESORTS

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Ajaccio	S	20	68	Istanbul	F	19	66
Algiers	R	14	57	Jersey	F	12	54
Biarritz	C	11	52	Las Plms.	F	24	75
Blackpool	R	11	52	Locarno	R	9	48
Bordeaux	C	11	52	Majorca	C	12	54
Boulogne	F	12	54	Malaga	S	25	77
Casablnca.	F	22	72	Malta	C	19	66
Cape Town	C	17	63	Nairobi	S	24	75
Corfu	C	19	66	Naples	C	17	63
Dubrovnik	F	19	66	Nice	R	14	57
Faro	S	21	70	Nicosia	F	25	77
Florence	C	15	59	Oporto	S	18	64
Funchal	C	21	70	Rhodes	C	23	73
Gibraltar	S	23	73	Salzburg	C	10	50
Guernsey	F	12	54	Tenerife	C	24	75
Innsbruck	C	7	45	Tunis	C	20	68
Inverness	C	11	52	Valencia	C	16	61
I. of Man	R	11	52	Venice	C	15	59

S—Sunny, C—Cloudy, F—Fair, R—Rain.

Hattersley seeks ban on misleading offers

BY DAVID CHURCHILL

THE GOVERNMENT yesterday proposed a wide-ranging order banning bogus bargain offers that mislead consumers.

Mr. Roy Hattersley, Prices Secretary, said he proposed to introduce the order under price display legislation early next year. He promised three months of "genuine consultation" before drawing up the final order.

Mr. Hattersley's decision to act follows two reports earlier this year from the Office of Fair Trading which were critical of misleading price comparisons.

But the retail trade last night totally rejected the need for Government legislation on the issue claiming that the proposals were irrelevant and would do little to keep prices down.

The Government wants to ensure that all bargain offers bear a relationship to real or normal prices. If, after consultations, the order is approved by MPs, shopkeepers and manufacturers breaking the order could face fines of up to £400.

The proposal could have a major impact not only on the manufacturing industry and retailers but also on advertisers. It would prohibit price comparisons with recommended retail prices, maximum retail prices, statements of "worth or value" and unsubstantiated comparisons with prices elsewhere.

Mr. Hattersley said that often recommended retail prices were created simply to allow reductions on them.

Real comparisons, including those with other identified shop prices, would, however, still be allowed. Under the order, the retailer would have to prove that a comparison or other form of bargain offer was genuine.

The Government "in no way wanted to inhibit genuine bargain offers." These genuine bargain offers would be encouraged if the fake offers were banned, the Secretary of State said.

The Retail Consortium, which represents more than 90 per cent of Britain's retailers, said it totally rejected any suggestion that price comparisons were bogus.

"Neither Mr. Hattersley nor Mr. Gordon Borrie, Director General of Fair Trading, have provided any factual evidence whatsoever to back up this claim," said Mr. Richard Weir, the consortium's director.

He added that the consortium had "grave doubts" as to whether the Prices Department had carried out proper research into price comparisons. He also felt the three-month consultation period was too short.

Miss Rosemary McRobert, director of the Retail Trading Standards Association, described the proposals as "phoney" and said they would make little difference to inflation. The order confused "abuses that ought to be stopped with minor marketing problems.

"Legislation that cannot distinguish between grumbles and issues diminishes the respect that retailers have for laws which support fair trading and consumer protection," she said.

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